



3 Great Canadian Stocks to Buy Today With \$3,000

Description

The tech sector is heating up as a frothy market increasingly favours low-cost businesses. The “work-from-home” market, disastrous to most sectors, is proving fertile ground for e-commerce and supply automation companies. Earnings season has been especially kind to these names so far, with a massive earnings beat from **Shopify** ([TSX:SHOP](#))([NYSE SHOP](#)) and a strong Q1 from **Kinaxis** ([TSX:KXS](#)). Here’s how far even a relatively small investment can get you in the near term.

TSX tech stocks are packing steep momentum

Descartes Systems Group ([TSX:DSG](#))([NASDAQ:DSGX](#)) is set to release its most recent quarterly earnings report at the end of the month. If the [strong market performance](#) of Shopify and Kinaxis was anything to go by, investors might expect a rush of interest in Descartes stock. Short-term momentum hunters will no doubt be eyeing this name for fast capital gains. However, the longer-term investor may want to wait for a pullback after earnings before snapping up shares.

Investing \$1,000 in each of these names may not accrue steep returns that fast. But if investors keep buying regularly throughout the down cycle, bigger positions can be built up. This holds especially true if investors snap up these kinds of smaller packets of shares as each name weakens. These three names are quality stocks and, as such, are long-term plays for years of growth.

Near-term returns are shaping up to be positively stratospheric for this hard-hitting trio of top-tier Canadian tech stocks. Shopify investors can expect total estimated returns of 760% by 2023, making this name a buy at just about any price. Kinaxis shareholders can expect 456% returns over the next five years. Descartes investors are looking at total estimated returns of 235% by the middle of the decade.

\$3,000 in these three leading tech names could therefore reel in a massive return on investment in a short amount of time. It won't buy large positions in any of these names, of course. But there's scope here for substantial capital appreciation. Would-be investors may want to take these analyst projections with a pinch of salt, however. The factors that are driving the sudden growth spurt are extraordinary and likely unsustainable.

However, all three of these standout stocks represent growth themes not only in the tech space, but in the wider Canadian economy. They reflect changing consumer habits in the case of Shopify. In the case of Kinaxis and Descartes, growth is being driven by an increasing focus on [automation of supply chains](#) using software. The need for more efficient, streamlined businesses is key to survival as the economy faces mounting challenges.

The bottom line

Relief rallies are likely to keep cropping up during the remainder of the pandemic. Investors can use these to trim underperforming names. This is an especially strong strategy to employ with tech stocks in the current market. There's a lot of momentum in this space at the moment, and not all of it is likely to be positive. However, names like Shopify, Descartes, and Kinaxis are strong stocks to bet on for steep capital gains.

CATEGORY

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

POST TAG

1. tech stock

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:KXS (Kinaxis Inc.)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

Tags

1. tech stock

Date

2025/08/24

Date Created

2020/05/14

Author

vhetherington

default watermark

default watermark