Have $2,000? Smart Investors Will Buy These Tech Stocks!

Description

Technology is as smart as people make it. Smart investors will buy technology stocks right now, taking advantage of market turbulence. The technology sector is an area of growth and innovation that creates new experiences and value.

Throughout the 2020 volatility, you'll want to buy the dips of **Lightspeed POS** (TSX:LSPD) and **Open Text** (TSX:OTEX)(NASDAQ:OTEX). Here's why.

Lightspeed POS is growing at light speed!

Don't be tricked by Lightspeed stock falling close to 50% since February. It's because the COVID-19 crisis forced many Lightspeed customers to close their businesses or run at much lower capacities.

However, since its initial public offering (IPO) in March 2019, the tech stock is still up by roughly 44%. This enormously outperforms the average long-term **TSX index** returns of about 7%.

Much of Lightspeed's price appreciation is attributable to its high revenue growth. Its three-year revenue growth rate is roughly 35% per year.

Specifically, Lightspeed provides software solutions to small- and medium-sized retailers and restaurants. It helps them engage consumers, manage operations, accept payments, and spur growth. And it has put out measures in light of the virus, such as offering subscription discounts and deferred payment arrangements.

It's still in its very early stages of growth. As such, it has immense growth potential, but, at the same time, its stock can have huge swings of ups and downs.

For example, the stock was more than a three-bagger when it was pushed up to a high of $50 per share back in August 2019.

If you're in the camp that believes the COVID-19 pandemic will come to pass, then Lightspeed is an excellent stock to add on dips for your growth portfolio. The company will be reporting its full-year fiscal 2020 results in the morning of May 21, which may just cause the dip you're looking for.

Open Text: An open book of predictable growth

Open Text is a tech stock that lived through the Internet Bubble burst. Actually, it was founded in 1991, a few years before the bubble swelled and burst.

The stock is anything but speculation. Its track record of profitability is simply amazing, having increased its adjusted earnings per share every year since 2001 except for one year. In fact, in most years, it had double-digit growth.

The company had such predictable earnings and cash flows that it began paying a dividend since 2013 and has increased the payout every year since. Income investors might have ignored it due to its initial small yield of 2.8%. However, do note that it has typically increased its dividend by at least 13% per year since.

The information management solutions company employs an M&A strategy and has been very successful at it. Other than earnings, it has increased cash flows and margins over time.

$10,000 invested in OTEX stock only 13 years would have turned into $81,677 for incredible annualized returns of 17%.

As virtual data continues to grow every day, Open Text's value-added offerings become more invaluable.

Just last week, the blue-chip tech company partnered with Dun & Bradstreet, which used to be a public company and is now private, to help customers establish more solid supply chains. Essentially, Open Text will be integrating its global trading partner directory with Dun & Bradstreet's data and insights.

Open Text is also collaborating with **Amazon** Web Services, which will help its clients transition to the cloud easier and faster.

The Foolish takeaway

If you're interested in Lightspeed, start building your position at about $20 and load up if it drops to $15 or lower. If you prefer the more predictable pick, Open Text, start buying now and buy more on further dips.

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TICKERS GLOBAL

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2. TSX:LSPD (Lightspeed Commerce)
3. TSX:OTEX (Open Text Corporation)

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