



## 4 Top TSX Tech Stocks to Buy Today

### Description

Tech stocks proved to be a truly heroic segment of the **TSX** last month. But what made some of the best Canadian tech companies such impressive performers on the markets? As Bill Ackman tactfully put it, "It's the virus, stupid."

Investors sought out names that responded the best to the extraordinary conditions caused by the pandemic. Among the strongest themes were e-commerce and business automation.

### Business automation is an emergent theme

**Constellation Software** ([TSX:CSU](#)) and its subsidiaries command a virtual empire of software solutions that extends beyond North America to the U.K., Europe, and beyond. This is the top name on the TSX to buy for exposure to the custom software sector.

The fundamentals don't look good, with a P/E of 73 times earnings several times the sector average of 14.6 and bloated P/B of 33 times book.

However, momentum is strong, with this name up 14% since February. Business automation and efficiency are become all-important, and Constellation Software delivers. Dividend yields are not normally part of the landscape when investors shop for tech stock. That said, Constellation Software pays a nominal 0.36% dividend.

Investors should buy Constellation Software for long-term upside. This name that has seen 34% year-on-year share price appreciation, proving that it can deliver on this front. This stock is also a powerful play for variety in a portfolio.

Just one stock adds reduced-exposure access to such diverse sectors as finance, communications, apparel, and the hospitalities. Operations are correspondingly diverse, spread across the Americas, Oceania, Africa, and Europe.

**Kinaxis** is another name in the automated business space. The markets have sought out businesses

that help other business survive during these uncertain times. Kinaxis has been rewarded accordingly, with its supply chain-focused business performing exceptionally well on the TSX. This name is up 53% since February, with 121% share price appreciation over the last 12 months.

## E-commerce and cybersecurity stocks are hot

The name of **Shopify** has been shouted from just about every rooftop by now. Its strong mid-pandemic performance underlined by a very welcome earnings beat make this e-commerce stock a breakout buy.

While the valuation could be better, that's not why investors buy tech stocks. Investors should look instead at the potential for Shopify to [defy gravity over the long term](#).

**BlackBerry** is a buy not only for the interconnectivity angle, but also for access to growth in the field of cybersecurity. Cylance is BlackBerry's AI-powered cybersecurity subsidiary, and its inclusion in a portfolio is a canny play on [near-future growth trends](#).

However, tech stocks such as BlackBerry also make rewarding additions to a Tax-Free Savings Account (TFSA) by adding strong capital gains potential.

TFSA investors should consider in particular the steep long-term capital appreciation potential in outperforming names like Shopify and Kinaxis. These true TSX tech success stories look more than capable of going the distance for years of wealth creation. E-commerce and business automation have emerged as major investment themes.

These two names exemplify these trends and can also help bolster the near-term growth section of a stock portfolio.

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