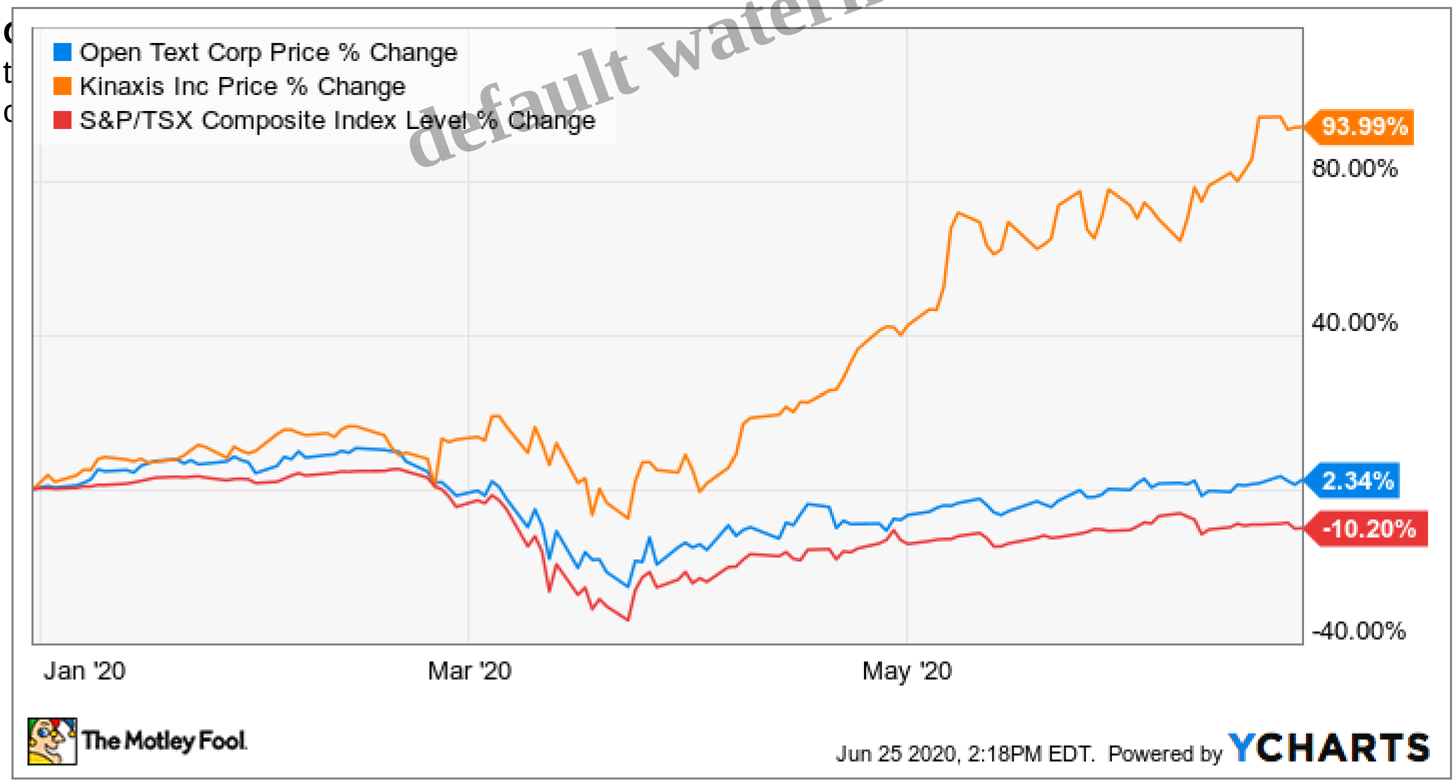
2 Hot Tech Stocks to Buy in July

Description

Technology stocks are performing well despite the economic impact of the COVID-19 pandemic. Unlike retail and airlines, technology becomes even more useful during a stay-at-home, quarantine culture. Even better: there are some great technology stocks to buy on the **Toronto Stock Exchange.**



While Open Text has not experienced the same sort of investor interest as Kinaxis, it has held its value well during the health crisis. This stock is up 2.34% so far this year, which is an achievement considering the market index performance.

The **S&P/TSX Composite Index** level percent change is still 10.2% lower than at the start of the year. We don't know when the stock market will fully recover from the March selloff. Nor can Canadian investors necessarily bet on the V-shaped recovery in retail, airlines, and other impacted industries.

If you want to buy hot Canadian technology stocks, Open Text and Kinaxis are two of the best options right now. Increasing technology positions is one of the best strategies to set a retirement portfolio, TFSA, or RRSP up for success in 2020.

Open Text Corp

Open Text develops cloud-based enterprise data management software in Canada. Specializing in content and unstructured textual data, the company also manages innovative artificial technology and analytics software. Their area of specialization is quickly growing, foreshadowing strong growth in revenue and market value.

In March, Open Text purchased XMedius, adding $40 million of annual revenue to the firm's income statement. XMedius is a secure file exchange platform. As cybersecurity threats rise, technology like that at XMedius will become even more critical for government agencies and medium to large-size enterprises.

While Open Text might not have seen the same remarkable surge in market value as Kinaxis, the 1.65% dividend yield is tempting.

There aren't any guarantees in the stock market. A top-performing stock today can quickly disappoint shareholders. Gradual price growth and dividend payments signal safety from my perspective.

Kinaxis

Kinaxis is a supply chain management software company with exciting acquisitions under its belt to fuel future growth. More recently, Kinaxis purchased Rubikloud, AI software for enterprise clients with decision-making features including price optimization.

Supply chain management has been growing in importance since geopolitical tensions rose between the United States and China. The Huawei controversy involving Chinese 5G cybersecurity threats in foreign-sourced equipment upgrades has only underscored the need for greater supply chain vigilance.

Now, after the COVID-19 pandemic rocked global supply chains, companies like Kinaxis offer solutions to help firms plan and adapt their sourcing departments to the changing landscape. Supply chain disruptions are a primary driver of new revenue growth.

Should you buy these hot technology stocks?

Canadians can't go wrong with Kinaxis or Open Text. They are both great options for a TFSA, RRSP, or other investment account.

Kinaxis doesn’t pay a dividend, but recent price action tells investors that they might see some good returns from the stock. Open Text offers more muted changes in market value, but issues a modest dividend.

Depending on your investment style, you may want to choose both stocks for your retirement portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:KXS (Kinaxis Inc.)
3. TSX:OTEX (Open Text Corporation)

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2. Koyfin
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1. Investing

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debraray