



3 Tech Stocks I'll Be Buying When the Market Crashes Again

Description

The equity markets crashed in early 2020 and bottomed out in March due to the COVID-19 pandemic. While the market crash was unprecedented, as indexes lost 35% in just over a month, the subsequent V-shaped recovery has also baffled investors. Several experts believe the stock market is disconnected from economic fundamentals and might crash again in the near future.

If you missed buying the market dip earlier this year, you can look to buy tech stocks such as **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), **Lightspeed** ([TSX:LSPD](#)), and **Amazon** ([NASDAQ:AMZN](#)) if the equity markets correct again.

Canada's largest company

Shopify stock is valued at a market cap of \$146 billion, making it the largest company in Canada. The stock has gained a staggering 135% in 2020 at a time when several stocks are trading in the red. Shopify has been one of the top performers on the TSX since it went public back in May 2015 and has since gained close to 5,600%.

This means a \$1,000 investment in Shopify's IPO would have returned \$56,000 right now. Shopify stock is trading at \$1,247 a share, or 63 times forward sales. Its sky-high valuation might concern investors, and the stock is already trading 14% below its record high.

When the equity markets tanked in March 2020, Shopify shares fell close to 40%. It has since gained close to 200% in just four months.

Shopify continues to benefit from tailwinds, such as the shift to online shopping. It should be on the radar of growth investors and should be bought on every major dip.

A Canadian tech stock with tremendous upside potential

While Shopify is trading near record highs, Lightspeed POS is a TSX tech stock that has lost significant

momentum in the few months. Lightspeed stock is trading at \$33.75, which is 32% below its record high. It touched an all-time low of \$10.5 in March this year and has since recovered to current levels.

LSPD is a retail point-of-sale software company that provides payment infrastructure services to small and medium businesses in the restaurants and hospitality space. While the Shopify is focused on e-commerce, LSPD aims to digitalize the payment processes of brick-and-mortar stores.

Lightspeed is one of the top growth stocks on the TSX. It reported a 70% growth in sales in the fiscal fourth quarter of 2020. The company also managed [to reduce losses](#) from \$90 million to \$18 million in Q4.

Similar to most growth stocks, LSPD is also trading at a premium and has a forward price-to-sales multiple of 17.

The world's largest e-commerce player

The third stock on the list is Amazon, a company that has increased investor wealth multifold in the past two decades. Amazon stock has gained 58% in 2020 and is trading at a reasonable price-to-sales multiple of 5.1. However, Amazon continues to focus on expanding its top line and is sacrificing profit margins given its forward price-to-earnings multiple of 139.

Amazon is the largest online retailer in the world and remains one of the top bets for the upcoming decade. It has a massive presence in e-commerce, is the largest public cloud company, the third-largest digital ad platform, and one of the top players in growth verticals such as gaming and online streaming.

Despite a trillion-dollar valuation, Amazon continues to grow sales at an enviable rate. Its [revenue growth stood](#) at 26% in Q1 and is pegged at 28.2% in Q2 and a healthy 24.5% in 2020.

Bottom line

These three companies are well poised to deliver consistent and market-beating returns in the upcoming decade.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

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Date

2025/08/29

Date Created

2020/07/27

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