



Tech Stocks: Watch Out for These Hot New IPOs

Description

Get ready for a glut of new IPOs south of the border. A raft of companies are rushing to go public while tech stocks are still hot. Let's take a quick look at some of these names, most of which may be new to Canadians. Are they a buy, and how do they stack up next to the DOCKS and the FAAMGs? Let's find out.

A smorgasbord of new tech stock IPOs

Investors will soon have a host of new options when it comes to momentum investing in the tech space. But are the businesses rushing to IPO already generating hype? Not quite. Check out these names: **Unity**, **Sumo Logic**, **Asana**, **Jfrog**, **Snowflake** – look familiar? Probably not. But these are a few of the upcoming listings that have got U.S. tech stock investors suddenly frothing at the mouth, despite not being household names.

Do these IPOs have anything in common, though, aside from their rush to get listed? One thing that they share is that they sell tech solutions to other companies. They're also fairly well established, with the newest of them having come into existence eight years ago. With an average lifespan of around 10 years, these are old hands in their chosen business. Whether than helps or hinders investor sentiment remains to be seen.

Prepare for the *new* “old reliables”

Do they hold up to FAAMG or DOCKS stocks? Not really. The main concern here is profitability. The other, of course, is that these are not public-facing names. They don't sell any exciting consumer discretionaries, like **Apple**, and they don't drive the media, like **Facebook**.

As such, there isn't that same publicity hype. That could mean that these stocks fizzle somewhat when they hit the markets. Then again, momentum has come from some unlikely places in 2020.

However, what's interesting is that these IPOs satisfy a mid-pandemic [push for business digitalization](#).

The DOCKS stocks satisfy this thesis to a tee. American tech stock momentum could be about to catch up with the DOCKS in terms of its focus. These aren't [consumer tech names](#), like the FAAMGs. The focus could be shifting. The question is whether investors will bite.

A drive for mid-pandemic business digitalization

Tech stock momentum in 2020 has been about optimizing businesses for the pandemic. These new IPOs reflect that. Snowflake is focused on cloud data, for instance, while JFrog optimizes code delivery. Sumo Logic helps with data analysis, while Asana is a project management tool. Sound familiar?

If it does, it's because these are very similar business digitalization fields to those of **Kinaxis**, for instance. Canadian investors bullish on this space will soon have some ground level options for upside.

Investors also clearly have an appetite for innovating enterprise tech stocks – just look at **Salesforce's** incredible one-day jump of 26% this week. These kinds of movements could help to replace some of the lost momentum in names such as **Shopify**.

And with names such as **Docebo** in overvalued territory, a new range of options to buy cheaper stocks could appeal to growth investors on the lookout for bargains.

CATEGORY

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

POST TAG

1. tech stocks

PARTNER-FEEDS

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

Category

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

Tags

1. tech stocks

Date

2025/08/26

Date Created

2020/08/28

Author

vhetherington

default watermark

default watermark