



Mark Cuban Loves These 2 Tech Stocks

Description

Mark Cuban has made a name for himself as an entrepreneur as well as an investor. Many people know him as one of the main investors from the TV show, Shark Tank. Early on, Mark Cuban focused on tech start-ups and is still part-owner of many tech businesses. Once an active trader, Cuban is a bit sidelined nowadays.

One of the reasons why an investor of his caliber and history is avoiding the market, especially now when many profitable businesses are ripe for the taking, might be his belief that the market has become too diluted. He stated that less money was in the market chasing more stocks back in the dot com days. Now, it's reserved. But he still hasn't parted with two of his favourite tech stocks.

Mark Cuban's favourite tech stocks

The famous investor bought **Netflix** when it was trading at around US\$50 a share, most probably around the end of 2013. The stock is currently trading at ten times that. This year has been immensely profitable for the company, with people spending more time in their homes and bingeing content at an unprecedented rate.

His second favourite tech stock is **Amazon**, which has been on a tear for a while, but practically rocketed off this year. The global e-commerce giant probably made Mark Cuban a lot of money because he bought part of it when it was trading between US\$500 and US\$700, and another chunk when it was trading somewhere around US\$2,000. Currently, the stock is at US\$3,500.

A Canadian stock Mark Cuban might've loved

One of the main themes behind the two tech companies that Mark Cuban loves is that they have always been ahead of the curve. The same *can be* said about **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) up to an extent. The e-commerce platform allows businesses to create their online store. The company's founder described Shopify as an operating system for retailers.

This analogy sums up Shopify's competitive advantage quite nicely. It's not a collection of tools and features that you need to create an e-commerce front for your business; it's a comprehensive platform that contains almost everything a retailer might need to run an online business. Another factor fueling Shopify's growth is that retailers who use Shopify's POS and platform usually don't switch to another retailer.

This might be why, despite being the third-largest e-commerce software platform (by market share), Shopify is growing at a [monstrous pace](#). The stock more than doubled in value this year alone. If you had bought into the company at its lowest valuation in March, you'd have grown your capital by 220%.

Foolish takeaway

Mark Cuban's comment about the investment market being too diluted is thought-provoking. Warren Buffett and many other market experts endorse the perception that the market is overpriced. But while investment giants might be able to afford to stay out of the action, everyday investors [can't afford](#) to wait for the market to be corrected once and for all. The best we can do is take advantage of market corrections and intermittent crashes.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

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