Stock Market Sell-Off Continues: Where to Invest $1,000 Right Now

Description

The stock market sell-off continued for the third consecutive day with tech stocks suffering the most. While the **S&P/TSX 60 Index** decreased by about 3.7% in the last three trading days, the **Information Technology Index** slipped over 8.5% during the same period.

Investors should note that the Canadian tech stocks witnessed a monster rally so far this year. Now, as tech stocks drag on profit booking, it's time to invest in some of these high-growth companies that have ample room for growth in the coming years. So, if you plan to invest $1,000, here are three TSX tech stocks that should be on your radar after the recent sell-off.

Docebo

Shares of **Docebo** (TSX:DCBO) fell over 21% in the last three trading days following a massive rally so far this year. Docebo's fundamentals remain strong, and the recent decline is merely fatigue after its stock's massive run this year.

Long-term investors could consider buying its stock, thanks to the sustained demand for Docebo's enterprise e-learning platform. While the higher utilization rate of its platform can be attributed to the pandemic, I believe the trend could continue even after the virus is contained.

As companies increase spending on corporate learning, Docebo's AI-powered platform is likely to witness increased demand. Docebo's customer base is growing at a double-digit rate. Meanwhile, average contract value has grown over 2.7 times since 2016.

The increasing deal size and growing share of recurring subscription revenue imply that Docebo could continue to report a strong set of financial numbers in the coming quarters, which is likely to propel its stock higher.

Lightspeed POS

Shares of **Lightspeed POS** (TSX:LSPD) have declined 10.5% in the last three days, reflecting broader market sell-off. However, investors should note that the shift in the consumption pattern has accelerated online activities, which could accelerate the demand for Lightspeed’s digital products.

Lightspeed’s digital platform helps businesses in managing payments and e-commerce activities. Amid structural shift toward the omnichannel platform, Lightspeed could witness acceleration in gross transaction volume (GTV). Meanwhile, its customer base is likely to go higher in the coming years.

Besides its core platform, Lightspeed offers premium services like accounting, analytics, and loyalty. With higher GTV, the demand for its premium services is likely to increase, supporting the expansion of its ARPU and margins.

The secular industry trend and heightened demand should continue to push Lightspeed stock higher.

Kinaxis

With its shares down over 12% in the past three days, investors should keep a close eye on **Kinaxis** (TSX:KXS). The supply-chain management software provider continues to witness solid demand, as reflected through its consistent financial performance and stellar growth in its stock over the years.

Its large addressable market and growing blue-chip customer base support the robust growth in the revenues and margins. Its strong cash position, high retention rate, solid order backlog, and growing subscription revenue mix should continue to support the rally in its stock.

While its underlying business remains strong, Kinaxis’s recent acquisitions are likely to accelerate its growth further and push its stock higher.

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1. Coronavirus
2. Investing
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2. TSX:KXS (Kinaxis Inc.)
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