



Forget Oracle and Buy This 1 TSX Tech Stock

Description

Sunday saw **Microsoft's** bid to buy popular video-sharing platform TikTok officially put to bed. This has led to some fairly intense interest in **Oracle** ([NYSE:ORCL](#)), which is looking all set to now be the U.S. partner for TikTok. At least, that's if the China-owned app isn't banned outright later on in the month. However, the Trump administration has indicated that the Oracle deal has been given the all clear.

The deal with ByteDance saw Oracle up by a few percentage points Monday — not the biggest single-day leap during the pandemic. However, the buying continued Tuesday, adding to speculative interest in the stock over the preceding few days.

Still, it was enough to generate some buzz, especially since tensions with China are beginning to intensify once again. It was a tight race, with Microsoft in the lead to buy TikTok's owner, with **Walmart** joining the bid and Oracle a dark horse. But in the end, it was Oracle that was first through the gate. And now the news has come through that the Trump administration has okayed the deal.

Which is the better tech stock to buy?

Perhaps you're interested in buying Oracle for a bit of extra digitalization exposure in your portfolio. Society is increasingly moving online. This is a major growth trend, after all — one that predated the pandemic and will certainly outlast it. And anybody who has ever coded in Java will, of course, already be familiar with Oracle.

Or perhaps Oracle caught your eye because of its sudden upside potential. TikTok has been adding subscribers hand over fist. And this while Oracle has been slowly losing revenue. In short, the ByteDance sale could lend of boost to Oracle's fortunes.

Descartes Systems Group ([TSX:DSG](#))([NASDAQ:DSGX](#)) is a arguably more rewarding play for the [long-term growth investor](#). This is not a stock-of-the-moment name boosted by a social media trend. Descartes Systems Group may therefore prove an adequate alternative for the digitalization investor. However, the pullback in momentum this month means that the growth strategy is definitely faltering.

Oracle is an interesting pick, to be sure, and a solid one for fans of cloud computing and Software as a Service (SaaS) stocks. In terms of value, Oracle's P/B of 13.8 doesn't quite justify an overall negative year-on-year revenue. Up 11% in the last five days, this wouldn't be the right time to buy unless one is bullish on the TikTok partnership significantly bolstering Oracle's bottom line.

Contrastingly, Descartes has seen 18% revenue growth in the last 12 months and has a much lower price-to-book of five. In terms of share price performance, Descartes has pulled back 4% in the last five days, making this a good time to pick up a few shares.

However, for investors seeking steep upside potential, it may be a good time to start [looking beyond tech stocks](#). Better long-term plays might include certain mining stocks. Metals and mining stocks, especially highly diversified names such as **Lundin Mining**, could serve double purpose after the pandemic. Their diversification and exposure to gold are stabilizing factors, while a surge in demand could transform them into growth stocks.

CATEGORY

1. Investing
2. Stocks for Beginners
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TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:ORCL (Oracle)
3. TSX:DSG (The Descartes Systems Group Inc)

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