



## Got \$3,000? 3 of the Fastest-Growing Tech Stocks to Buy Right Now

### Description

Tech stocks have been on an absolute tear for quite some time. While 2020 has been an unforgivable year for several industries, tech stocks have largely been immune to the impact of COVID-19.

The unprecedented sell-off earlier this year saw the **S&P 500** fall by 36% in just over a month. However, the rebound has been just as spectacular, primarily driven by an impressive rally in tech stocks.

The **Technology Select Sector ETF** has surged ahead by 26% compared to the 5% gain for the S&P 500 in 2020. The pandemic has accelerated several fast-growing tech trends including e-commerce, collaboration, cybersecurity, and cloud computing.

With interest rates at record lows, tech companies [can borrow cheap capital](#) and plough it into expansion, which in turn will drive top-line growth. If you have \$3,000 to invest right now, you can consider three of the fastest-growing tech stocks for your growth portfolio.

### Canada's e-commerce giant

The first stock on the list is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), which is the second-largest e-commerce company in North America. Valued at a market cap of \$148 billion, it is also Canada's largest publicly listed company.

Shopify stock has returned a staggering 5,400% since its IPO and remains one of the top growth stocks to hold right now. The COVID-19 pandemic has acted as a tailwind for e-commerce companies, as people are forced to stay home and shop online.

In its most recent quarter, Shopify sales were up a massive 97%, while its gross merchandise volume soared 119% year over year. The company has processed over \$200 billion worth of goods on its platform since it was founded, and it sold 1.5 times more products in the June quarter compared with the holiday season of 2019.

Shopify stock is up 128% in 2020 but is trading 19% below its 52-week high. This provides investors an opportunity to buy a growth stock at a lower valuation.

## A supply chain-focused SaaS company

Another Canadian company that is driving innovation and helping companies operate efficiently is **Kinaxis** ([TSX:KXS](#)). This tech stock is up 74% in 2020 but trading 19.6% below its record high. Despite the recent sell-off, Kinaxis is trading at a price-to-sales multiple of 17.7 and a price-to-earnings ratio of 161, which is sky high.

However, as it is impossible to time the market, every major correction should be viewed as a buying opportunity in growth stocks, as they tend to trade at a premium.

Kinaxis provides SaaS (software-as-a-service) solutions in the supply chain space, which is extremely critical in these uncertain times. It has a strong customer retention rate and continues to grow top line via acquisitions.

Kinaxis stock is up 400% in the last five years and has managed to grow [sales at an annual rate](#) of 20% in this period.

## A U.S.-based growth stock

The third stock on the list is **Fastly**, a company in the content delivery network and security services space. Fastly stock is up close to 300% in 2020 and is trading 30% below record highs.

Fastly has become one of the leading edge cloud platforms for businesses and counts Shopify, Airbnb, TikTok, and **Twitter** as its customers. While the company is expanding its customer base, it has also managed to increase spending from existing users. In Q2, the company's net expansion rate rose to 137%, up from 133% in the first quarter of 2020.

Looking at its expanding addressable market, Fastly remains one of the top tech stocks to bet on for the upcoming decade.

## Bottom line

It's important for investors to note that the three companies are trading at a premium, despite the sell-off at the start of September. There is a chance for the stocks to move lower if broader markets are volatile. However, as mentioned above, every major dip provides investors the chance to buy quality stock at a lower valuation.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:KXS (Kinaxis Inc.)
3. TSX:SHOP (Shopify Inc.)

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