Got $500? 3 Rapid-Growth Tech Stocks to Buy Today

Description

Tech stocks can turn $500 into $50,000, but you must choose the right companies at the right time. To make money in this space you can choose from two strategies.

The first strategy is to identify companies that already show rapid growth rates. You'll pay a premium, but many of these historical winners maintain momentum for longer than anticipated.

The second strategy is to buy high-growth tech stocks before these growth rates are actually achieved. This takes a bit of extra risk, but you'll often pay a significantly lower valuation, meaning your upside is magnified.

Whichever strategy you choose, here are your top three choices.

Join the party

There's a lot to like about **Constellation Software** ([TSX:CSU](#)) stock. This has proven one of the greatest investments in Canadian history. Shares have grown *80 times* in value since 2006.

As its name suggests, Constellation is in the software business. If you want to make big money, find tech stocks that focus on software.

"By selling software, Constellation doesn't need to spend more money to acquire additional customers," I [recently](#) wrote. "All it needs to do is send another download link. Lead times also collapse completely, whereas physical products take days or weeks to make."

Constellation has created a cash flow machine by focusing on niche software products with scant competition. The stock flies under the radar due to its enterprise clientele, but this proven stock should continue to perform well for another decade.

The newest tech stock

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is often considered an *old* tech stock. Its name is synonymous with its smartphone devices, which once commanded a 20% global market share.

Today, the company doesn't sell a single device. Instead, it's focused on cybersecurity software.

Similar to Constellation, BlackBerry's new products have higher margins and superior recurring sales characteristics. Cybersecurity is a valuable segment of the market as well given we're adding thousands of newly-connected endpoints every hour.

Unlike Constellation, BlackBerry is just beginning its growth journey. That's why this tech stock is valued at just three times sales, while Constellation is priced at seven times sales. The cybersecurity competition trades as high as 40 times sales!

BlackBerry trades at a deep discount to its peers, but that gap should narrow quickly once growth numbers start to come in. Last quarter, the company beat analyst expectations, posting surprise organic growth. This could be the start of a [big run](#).

Beat the best

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is the new **Amazon** ([NASDAQ:AMZN](#)). That's not an easy feat.

For years, Amazon dominated the e-commerce space. It was the market's favourite tech stock. Growth rates were impressive, even as the company surpassed a $1 trillion valuation.

Shopify decided to compete, but not directly. It simply created an e-commerce platform that others could build on, rather than build everything itself. Take a look at websites like [Allbirds](#) and [De Lune](#). Notice the Shopify branding? You shouldn't, because there's nothing there.

Unlike Amazon, Shopify only runs the backend. Both Allbirds and De Lune are built on Shopify's platform, but the brands themselves control their look and feel. This allows Shopify to take a cut of every transaction without making a sound.

Right now, this tech stock is expensive at 55 times sales, but the sky really is the limit for growth. Shopify has a market cap of $130 billion, but like Amazon, its total addressable market is well into the trillions.

CATEGORY

1. Investing
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TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. NYSE:BB (BlackBerry)

3. NYSE:SHOP (Shopify Inc.)
4. TSX:BB (BlackBerry)
5. TSX:CSU (Constellation Software Inc.)
6. TSX:SHOP (Shopify Inc.)

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