



2 Tech Stocks to Buy Before the Next Crash and 1 Stock to Wait for

Description

Global economies are still struggling, yet stocks are reaching all-time highs. That's especially true for tech stocks. Many of these companies trade at *obscene* valuations.

No one knows when the next market crash is coming, but it's only a matter of time. The best time to prepare is today. Some stocks should be sold now. Others should be [acquired now](#).

If you want to sail through the next market crash by owning strategic tech stocks, this is your chance.

Don't go crazy

Many tech stocks are ideal long-term bets no matter where the stock market heads in the next few months. But this doesn't mean you should load up as much as possible.

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is a good example of how patience can pay off. Many investors remember this company as a smartphone manufacturer. That's no longer true. Today, BlackBerry is a pure play on cybersecurity software.

You likely know that the world is growing more connected. Over the next decade, billions of new endpoints will be able to access the internet, everything from laptops to washing machines. More endpoints mean more opportunities for hackers.

Owning tech stocks that protect these endpoints is a winning proposition. Just don't think this upside will occur all at once. BlackBerry is a compelling stock to own over the coming decade, but it's still early in its growth, meaning volatility could be substantial during a market crash.

If you believe a downturn is a near-term possibility, stick with businesses that have a proven resiliency during times of trouble.

These tech stocks will win

If you want to protect your portfolio from a downturn *without* sacrificing upside potential, the picks below are for you.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) could actually rise in value during the next crash, depending on the factors involved. That's because it benefits from a shift to online spending given it's one of the largest e-commerce platforms in the world. If the COVID-19 pandemic surges, or simply persists for many years, Shopify could see revenue accelerate [faster than predicted](#).

To be sure, this stock is expensive, often trading above 50 times sales. But you get what you pay for. This tech stock is growing like a weed, and although it's now valued at \$150 billion, its ultimate potential is in the trillions. Since the coronavirus pandemic began, shares have *doubled* in value. Those gains should continue.

Constellation Software ([TSX:CSU](#)) is another proven tech stock that can withstand a market correction. Stocks overall shed nearly 50% of their value in late February and early March. Constellation stock only fell by 20%. Since the bottom, CSU stock has surged to new all-time highs.

The secret is niche software, the company's focus. By going niche, Constellation reduces competition. Many of its products don't have an alternative, locking customers into a take-it-or-leave-it situation. Almost always, customers stick with the software.

Over the years, Constellation has amassed a large portfolio of software products that generate immense amounts of cash flow. High customer retention rates limit downside when the market dips. This tech stock is special.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

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

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Author

rvanzo

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