



Tech Stocks Are Crushing the Market This Year: Where to Invest \$1,000 Today

Description

Even amid a global pandemic that continues to wreak havoc on economies across the globe, the Canadian market is down just 5% on the year — not too bad considering at one point the **S&P/TSX Composite Index** dropped more than 30% in a single month.

The market crash earlier this year was one of the steepest drops that Canadians had faced in decades. It's very possible that the worst has yet to come, but investors have witnessed an incredible bounce back over the past seven months.

The previously mentioned index has run up close to 45% since the last week of March. But even as strong as that bull run has been, many tech stocks have surged far more than 45% over the past seven months.

Canadian tech favourites like **Shopify** and **Lightspeed** have seen their share prices explode since the market began to rebound. Since the beginning of April, both tech stocks are up more than 200%.

Why are tech stocks soaring?

The global pandemic has dramatically increased the dependence on technology for both consumers and businesses across the globe. The trend of shifting towards a digital world was already evident, the pandemic just helped accelerate that digitization. As a result, we've seen stocks critical to helping digitize a business, such as Shopify and Lightspeed, soar throughout this pandemic.

It's not just popular stocks like Shopify and Lightspeed that are on incredible bull runs, though. There's a long list of Canadian tech stocks that deserve serious consideration for any investor that's willing to hold for the long term.

I've covered a tech stock that has absolutely crushed the Canadian market this year. In addition to that, I believe that this company has a very strong chance to continue to outperform the Canadian market over the next decade.

Docebo

The pandemic has altered the lives and routines of Canadians across the country — perhaps none bigger than the changes within the working environment. To respect social-distancing regulations, the percentage of employees working from home has skyrocketed this year. And the longer employees continue to do so, the harder it may be to return to the grind of the office commute.

Docebo ([TSX:DCBO](#)) is my top [work-from-home stock](#). The tech company specializes in developing cloud-based learning platforms that provide a virtual training experience for employees. The technology is powered by artificial intelligence, aimed to develop a unique learning experience for each user.

The tech stock has been a public company for just over one year. It's a short track record to review performance, but investors that picked up shares just about at any point over the past year would be sitting on gains today.

Since the beginning of the year, the stock is up 215%. That's not too bad considering the Canadian market is down 5%. But if you were fortunate to pick up shares at the lowest point of the year, you'd be up more than 400%.

Valuation is my [biggest knock](#) against Docebo. Growth of more than 200% on the year doesn't come without the risk of extreme levels of volatility.

The company trades today at a very expensive price-to-sales ratio of 30. It might seem high, but that's the cost of investing in a company that has grown 400% over the seven months.

Foolish bottom line

Just because the market is down on the year doesn't mean there aren't any companies that are growing. The tech industry is full of stocks that are trading near all-time highs today.

If you're able to hold for the long term and can stomach the highly anticipated volatility over the short term, this is one tech stock that has the potential to continue to outperform the market for a long time.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Docebo
2. docebo stock
3. Editor's Choice
4. growth stocks
5. tech stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)

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