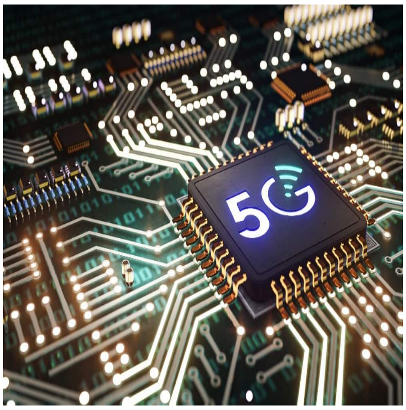

2 Top Tech Stocks Down 10-20% in the Last Week: Should You Buy the Dip?

Description

The **S&P/TSX Composite Index** started hot this week. North American stocks gained significant momentum after **Pfizer** released promising data on the progress of its COVID-19 vaccine candidate. However, two of the top tech stocks on the TSX failed to catch fire. On the contrary, both have been hit by volatility over the past week. Is this an opportunity to buy the dip in these explosive tech stocks? Let's dive in and find out.

Why this tech stock is a buy ahead of the holiday season

Shopify (TSX:SHOP)(NYSE:SHOP) is an Ottawa-based e-commerce technology company that has been one of the best growth stocks in North America since its IPO in 2015. Its shares have soared 135% in 2020 as of close on November 12. The top tech stock has dropped 10% week over week. Shopify released its third quarter 2020 results on October 29.

It was another fantastic quarter for Shopify. E-commerce growth has accelerated during the pandemic. Even more consumers have migrated to digital channels as brick-and-mortar stores have been forced to close during lockdowns. Total revenue at Shopify surged 96% year-over-year to $767.4 million. Subscription solutions revenue increased 48% to $245.3 million. Moreover, Merchant Solutions revenue growth climbed 132%.

Gross merchandise volume doubled, and the company posted record profit in Q3 2020. Shopify is an exciting target as we move into the holiday season. E-commerce sales have steadily increased in recent years. We are likely to see record performances during Cyber Monday and into late December. Shopify's merchants are positioned to benefit in a big way.

Shares of this tech stock have trended towards technically oversold territory in November. Investors looking for an electric tech stock should consider Shopify in the middle of November.

Value investors are getting their first shot at Kinaxis in months

Kinaxis (TSX:KXS) is another Ottawa-based company that has developed into one of the best tech stocks on the TSX. Its shares have increased 73% in 2020. However, the stock has plunged 20% over the past week.

In Q3 2020, Kinaxis delivered total revenue growth of 17% to $55.1 million. However, the COVID-19 pandemic still weighed on some aspects of the company's business. Namely, it has resulted in contract delays and deferred projects for some of its partners. Regardless, the COVID-19 disruption has increased demand for what Kinaxis offers. Its revolutionary supply chain management and operations planning software has attracted top companies like **Ford**, **Unilever**, and **Toyota**.

That software offering is bolstered by Kinaxis' artificial intelligence development. Both tech stocks are big players in the AI arena in Canada. This is another reason to be bullish going forward. Kinaxis saw profit plunge 84% year-over-year in Q3 2020 as adjusted EBITDA also dropped 16. Nonetheless, the company increased expectations for total revenue and adjusted EBITDA for the full year.

Shares of Kinaxis last possessed a Relative Strength Index (RSI) of 32, putting the stock just outside technically oversold territory. Value investors should be keeping a close eye on this exciting tech stock right now.

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