



Tech Stocks: Get Ready for a Glut of December IPOs!

Description

The growth-value switch hasn't been thrown just yet. While vaccine hopes are seeing investors migrate into beaten-up stocks, more growth events are just around the corner. Growth investing has been *de rigueur* in 2020, a kind of addendum to the record bull run that dominated the decade just past. Whether the new rash of tech stock IPOs is too late, though, is another thing altogether.

You more than likely have heard of at least one of the coming tech stocks. Airbnb, DoorDash, Roblox, Wish, and Affirm are all lining up to take aim at the markets' growth investors. With value investing looking due for a comeback, though, these latecomers to the digitalization trend could be out of luck. Still, for short-term upside opportunities, momentum investors should certainly add them to a watch list.

A strong 12 months for tech stocks

Docebo and **Lightspeed** went public just in time to hit the pandemic jackpot. These names quickly emerged as central to a digitalization trend that was ignited by the public health crisis. This year has also seen gluts of IPOs, the most recent of which directly targeting the work-from-home trend. But the year is about to witness another IPO party. The question is, though, whether [vaccine hopes could squash the upside](#).

An Airbnb IPO has been on the cards since last November's filing. In just a few short weeks, investors will discover whether the temerity of going public during a health crisis will work out for Airbnb. One only has to look at the performance of adjacent names, such as **American Hotel REIT**, to see that the timing could prove to be somewhat awkward.

In fact, investors eyeing Airbnb for long-term potential may want to take another look at that particular real estate investment trust. It has [comeback charisma](#), for one thing. Look at this week's 5% boost afforded by the vaccine bullishness. Of course, Airbnb could also tap some of that reopening upside. But the REIT listed here packs a forecast 4.8% dividend yield and projected 20% annual revenue growth.

Watch out for stock market volatility

Other names on this list make quite a lot more sense. DoorDash and Wish stand out in particular as lockdown growth stocks. Other IPOs in a similar space have done well during the last fractious 12 months. These names have been scratching a tech stock itch during the pandemic. As a major player in U.S. food delivery, a DoorDash IPO in particular is likely to explode onto the markets — so long as it doesn't coincide with a vaccine breakthrough.

Indeed, this last point deserves more than a cursory mention. Tech stocks have developed a nasty reaction to vaccine bullishness. Tech investors have made use of this week's big news from Big Pharma, trimming overvalued names in the work from home space. With selloffs in top tech stocks now par for the course during these types of events, buying opportunities abound. But they could also spell trouble for any company going public before the end of the year.

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