



Should You Buy Hot New Tech Stocks in the December IPO Party?

Description

The last big hurrah of the 2020 tech stock IPOs has something for everybody this December. It's like a Santa's grotto of momentum-laden goodies. There's **Airbnb** for the grown-ups, and **Roblox** for the kids (of all ages). There are other treats under the tree, too. But, to stretch the analogy, are these holiday novelties going to provide years of enjoyment? Or will they break as soon as they're out of the box?

How durable are these new stocks?

Let's take a look at one of the more defensive names on the list of December 2020 IPOs. **DoorDash** (NYSE:DASH) has seen a lot of activity straight out of the stalls. Shooting up an impressive 80% in its initial offering, DoorDash is perhaps the ultimate pandemic stock. It's a hot new tech stock. It's a consumer staples stock. It's a lockdown stock. What's not to like?

There's even the suggestion that DoorDash could be the new **Snowflake** — a stock that only goes up. Or at least that's the bullish take among momentum investors, anyway. But there's already some caution among analysts. The prospect of a post-pandemic recovery is already eating into the bull case for such stocks. While near-term momentum is all well and good, a longer-term growth thesis becomes weaker with every positive piece of vaccine news.

That makes DoorDash a potentially dangerous investment. It's expensive — although that's to be expected in this space. But its IPO has arguably come at the wrong time, with Big Pharma bringing recovery signals on all sides — it's too expensive and too late. Of course, time will tell. And there are two sides to the vaccine story. A more pessimistic reading calls for a prolonged pandemic, and many more months of uncertainty.

Investing in tried-and-tested tech stocks

It's worth mentioning **Docebo's** ([TSX:DCBO](#)) upcoming U.S. IPO here. This has been well received by analysts, and hints that there could be further upside in this name. Going public in October 2019,

Docebo has since proven that it has richly rewarding mid-pandemic chops. Marked out for extra momentum potential in 2021, this is one TSX tech stock to pick up in stages. The now-regular vaccine announcements offer [opportunities to buy on weakness](#).

Catering to a locked-down society, Docebo is a buy if you're bullish on the digitalization trend in a [post-recovery market](#). It's got strong geographical diversification under its belt. Plus there's the built-in socially distanced aspect of its cost-reducing corporate training offerings. While the stock could definitely be cheaper, with a P/B of 33, this key tech pick could have further to climb in the new year.

The Canadian training software company has seen strong momentum since listing on the TSX, up 290% in 12 months. Taking its share price growth show on the road makes a lot of sense, therefore. There could also be unseen benefits to this dual listing. For instance, it will no doubt reassure current shareholders to see Docebo's ticker trading over on the NASDAQ. And that kind of reassurance is something that may be missing from other IPOs this month.

CATEGORY

1. Investing
2. Stocks for Beginners
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TICKERS GLOBAL

1. NASDAQ:DASH (DoorDash)
2. TSX:DCBO (Docebo Inc.)

PARTNER-FEEDS

1. Business Insider
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