



My Top 4 Tech Stocks for 2021

Description

The **S&P/TSX Composite Index** has often attracted criticism or dismissal due to its lack of exposure to the technology sector. While the Canadian market is heavily weighted in energy and materials, there are some fantastic options for investors in the tech space. The COVID-19 pandemic was devastating for Canadian energy stocks, but an explosive tech sector managed to pick up the slack. Today, I want to look at my top four TSX tech stocks for 2021. Let's dive in.

Top tech stock: Shopify is king

Could it be any other way? **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has crushed its doubters, especially its short-sellers, since its initial public offering back in 2015. Shares of Shopify have climbed 191% in 2020 as of close on December 17. Its stock slipped below the \$500 mark during the March market crash. Shopify last closed at \$1,506.77. This tech stock has rewarded the faithful this year.

Best of all, the future looks bright for Shopify. It has eyes on international growth. Moreover, the COVID-19 pandemic has accelerated trends in the e-commerce space. Cyber Monday sales rose 15.1% year over year in 2020, hitting a staggering \$10.8 billion. Shopify is perfectly positioned to benefit from the [growth of e-commerce](#) in the years ahead.

Why Kinaxis is my runner-up moving into 2021

Kinaxis ([TSX:KXS](#)) is my second-favourite tech stock to snag on the TSX. This Ottawa-based company provides supply chain and operations planning software solutions. Its shares have increased 74% in 2020. Like Shopify, Kinaxis's business has also been highlighted in this crisis. Supply chains have been disrupted by the pandemic, and companies are looking to modernize their processes in the years ahead.

This company has managed to score huge clients like **Unilever**, **Toyota Motors**, and **Ford** in recent years. Moreover, it possesses an immaculate balance sheet. This is a [tech stock](#) that you can set and forget this decade.

Nuvei has huge potential going forward

Nuvei ([TSX:NVEI](#)) debuted on the TSX index in September of this year. The company provides payment technology solutions to merchants and partners across the globe. Its shares have climbed 30% month over month as of close on December 17. Canadian investors should not sleep on this exciting newcomer.

The digital payment market is poised to make waves in the 2020s. This is another market trend that has accelerated due to the pandemic. In Q3 2020, Nuvei saw total volume rise 62% year over year to \$11.5 billion. Adjusted EBITDA surged 59% to \$41 million. This company has its eyes on international growth, which should pique investor interest. I'm bullish on this tech stock before the new year.

Don't sleep on this tech stock

Real Matters ([TSX:REAL](#)) is the fourth and final tech stock I want to zero in on today. This company provides technology and network management solutions to mortgage lending and insurance industries in North America. Historically low interest rates and loose monetary policy has underpinned the housing markets in Canada and in key parts of the United States. These trends will not cease in 2021. If anything, governments are likely to pursue more stimulus.

In fiscal 2020, Real Matters went live with 13 new lenders and achieved market adjusted growth of 10.8% in U.S. Appraisal. It delivered market adjusted growth of 136.9% in U.S. Title. Shares of Real Matters have climbed 54% in 2020, but the stock has dropped 24% month over month. This tech stock boasts a strong track record, and the company possesses a fantastic balance sheet. Now is a great time to pounce on the dip.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:KXS (Kinaxis Inc.)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:REAL (Real Matters Inc.)
5. TSX:SHOP (Shopify Inc.)

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