Got $6,000? Forget Bitcoin: Buy These 2 Tech Stocks Instead

Description

Is 2021 the year of the world's most popular digital currency? Cryptocurrency investors are having a field day with Bitcoin having a wild ride. At one point during trading on January 3, 2021, Bitcoin's price topped $34,608.56. On January 5, 2021, the crypto was trading at $31,481.81, or 240% higher than the price six months ago.

There are rumours that institutional investors and known investors like Paul Tudor Jones and Stan Druckenmiller have positions or fund allocations for Bitcoin. **JPMorgan Chase** even predicts that it could compete with gold as an asset class. According to the bank's analyst, Bitcoin's price can potentially reach $146,000 in the long term.

Bitcoin mania again

Speculative mania is developing once more, similar to Bitcoin's surge in November 2017 before the bubble finally burst. The flash crash left many with losses. In 2020, the price quadrupled, and Bitcoin prices keep posting new record highs. Anthony Scaramucci from SkyBridge Capital and a crypto bull warn the bubble could burst again.

If you have $6,000, the new Tax-Free Savings Account (TFSA) contribution limit in 2021, consider investing in surging Canadian tech stocks and forget Bitcoin. **Docebo** (TSX:DCBO)(NASDAQ:DCBO) and **Lightspeed POS** (TSX:LSPD)(NYSE:LSPD) have excellent growth potential and could deliver massive gains in the years ahead.

Market size is growing

Docebo, a cloud-based Software-as-a-Service (SaaS) learning platform, rewarded investors with a 347% gain last year. Had you invested $6,000 on December 31, 2019, your money would have grown to $29,223.07 by year-end 2020. The tech stock had a spectacular run after sinking to as low as $10.90 on March 23, 2020. Docebo's current share price is $79.95.

This $2.6 billion provider of corporate learning management software (LMS) should post more robust revenue growth and become highly profitable in the post-pandemic world. The signs are evident, given the speed by which its customer base and contract value are growing.

I expect subscription revenues to multiply 10-fold and Docebo to haul multi-year contracts soon. The customer-retention rate should be on the high side, too. Unlike Bitcoin, LMS adoption is ever increasing, and the market size is projected to be worth around $38.1 billion by 2027. CAGR would be 19.7% during the forecast period (2020-2027).

Fueling retailers in the pandemic

The total return of Lightspeed POS, a commerce-enabling SaaS platform for businesses, in 2020 was 149%. Investors who invested $6,000 in this tech stock when the price sunk to $13.07 on March 20, 2020, would have a windfall of $33,241.01. As of January 4, 2021, Lightspeed shares are trading at $85.48.

This $9.56 billion company caters to small- and mid-size businesses, retailers, restaurants, and golf course operators. Through Lightspeed's platform, clients or subscribers can manage operations better and accept payments. The solutions the platform provides are all-encompassing. It covers front-end customer experience, including point-of-sale, omnichannel engagement, home delivery, and order and loyalty management.

The Canadian tech unicorn's IPO in March 2019 was the TSX's largest tech offering in nine years. Lightspeed raised $179 million in its highly successful marker debut. The company also listed on the New York Stock Exchange to attract more institutional and retail investors.

Better alternatives

The cryptocurrency market is highly volatile. Bitcoin is rolling but it needs broader adoption by institutional investors to boost investor confidence. Your $6,000 will earn more from Canadian tech stocks.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:DCBO (Docebo Inc.)
4. TSX:LSPD (Lightspeed Commerce)

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