Tempted by Bitcoin? Here Are 2 Canadian Tech Stocks That Could Outshine the Cryptocurrency

Description

It can be pretty hard for hungry investors to avoid the hype revolving about Bitcoin these days. The cryptocurrency made many people big money last year. While the asset has begun to pullback, it seems like many crypto fanatics are more than willing to jump in on weakness this time around, as more people warm up to the alternative asset that's been outshining gold lately.

While there's no telling what Bitcoin's next move will be, I'd encourage investors to look to other hot areas of the market that may be easier to evaluate. On the **TSX Index**, many up-and-coming mid-cap tech stocks like **Docebo** (TSX:DCBO)(NASDAQ:DCBO) and **Lightspeed POS** (TSX:LSPD)(NYSE:LSPD) have been posting Bitcoin-like gains in 2020.

While each name is at high risk of surrendering a considerable amount of ground in a broader market rotation out of high-flying tech, I still think such plays are worth nibbling for young and hungry investors who are itching to buy Bitcoin or other momentum tech stocks.

Docebo: Could e-learning be hotter than Bitcoin in 2021?

Docebo has been white hot in 2020, surging over 660% from its March trough to its December peak. I've been pounding the table on the name for most of the year, and while I'm not against taking profits and playing with the house's money at these frothy heights, I would encourage younger investors to at least get some skin in the game today if they've yet to do so.

While the stock may have more downside risks than the likes of a Bitcoin, at the very least, one can have an easier time of valuing the stock based on actual fundamentals. The company is growing its top line like it's nobody's business. While the price of admission into the name is steep, with the potential for Bitcoin-like levels of volatility over the coming 18 months, I'd be more comfortable dealing with such wild swings, given the company can back up its nosebleed-level valuation (31 times sales) with an equally unprecedented magnitude of growth over the coming years.

The niche Learning Management System market is booming, and I have a feeling that it's not about to run out of steam once the pandemic finally ends.

Lightspeed POS: An e-commerce play that rhymes with Shopify

I was one of few out there who was pounding the table on Lightspeed POS shares when they lost over 70% of their value in a matter of weeks during the 2020 coronavirus stock market crash. Sure, the company did business with firms that were among the most vulnerable to the crisis. But, as it turned out, fears were overblown beyond proportion, and investors were discounting the commerce-enabling firm's ability to help its customers through the rough waters.

In many prior pieces, I'd noted that the Lightspeed growth story rhymed in many ways with that of **Shopify's**. While nobody would have thought Lightspeed would rocket to new all-time highs within months after its implosion, I still had faith in the firm that many folks misunderstood at the time.

Today, the opportunity of a lifetime to score Bitcoin-like gains is all but gone. Lightspeed shares sport a whopping 55 times sales multiple (that's sales, not earnings), which is pretty much on par with the likes of Shopify. Despite the nosebleed-level valuation, I still think the stock offers a better risk/reward versus the likes of Bitcoin, which is impossible for me to evaluate.

Could Lightspeed be dealt another 70% plunge? Sure, but at the same time, the stock could continue to defy the laws of gravity, as the sexiest growth stocks continue to be bid up based on their stories. While I'm no longer a fan of LSPD stock's value proposition, I certainly wouldn't be against nibbling a fifth of a position here if you're willing to add on any dips moving forward.

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1. Investing
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1. Editor's Choice

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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