



Be a Millionaire! Top 3 Tech Stocks to Buy Amid a Market Pullback

Description

On Thursday, the broader market continued to trade on a slightly negative note for the second day in a row. At 1:15 PM ET, the **S&P/TSX Composite Index** was trading with 1% loss for the day after losing about 0.6% yesterday. Some Canadian tech stocks were among the biggest losers today. Long-term investors could consider this [market pullback](#) as an amazing opportunity to buy some excellent tech stocks cheap.

Here are my three favorite **TSX** tech stocks that fell sharply today. You may want to add these are stocks to your portfolio before they start rallying again.

Shopify stock fell 6%

Earlier today, the shares of the Canadian e-commerce platform provider **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) extended its March losses by falling more than 6% for the day. Yesterday, it settled with 6.6% losses. There has been no major negative update specific to the company this month. So, its recent losses were primarily due to the ongoing broader market sell-off. During the COVID-19 phase, the demand for Shopify's services skyrocketed as more businesses sought to build and improve their online presence.

As a result, the company registered an 86% year-over-year (YoY) jump in its total revenue. Its adjusted net profits surged to US\$491 million in 2020 as compared to just US\$34 million in the previous year. Similarly, its bottom line margin significantly expanded to 16.8% last year from just 2.2% in 2019.

While its sales are likely to normalize as the global pandemic gradually subsides, analysts still expect it to grow by nearly 40% this year. I expect the company to beat analysts' sales and profit expectations in the coming years as its merchant solutions' demand continues to grow at a robust rate. These positive factors are likely to help its stock continue surging in the coming years.

Lightspeed stock slipped 5%

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock fell by 5% today — bringing its year-to-date losses to nearly 10%. Last year, its stock more than doubled and yielded 149% positive returns. This Montréal-based software company provides omnichannel commerce-enabling platform to businesses.

Despite the COVID-19 woes, its sales growth has been remarkable. In the December quarter, its revenue rose by 79% YoY to US\$57.6 million. While its gross profit rose by just 15% in the last quarter, analysts estimate it to inch up by 81% in the March quarter.

In the coming years, the market for its cloud-based products is likely to expand further as it continues to increase its business footprint in many countries. That's why I believe its last year's nearly 150% gains were just the beginning of its big long-term stock rally. The ongoing drop in its stock is giving you an opportunity to buy this excellent tech stock cheap.

Kinaxis stock tanked 20%

Today, the shares of another fast-growing Canadian tech company **Kinaxis** ([TSX:KXS](#)), saw a major 20% decline. It's a Kanata, Ontario-based SaaS (software as a service) provider. Its Artificial Intelligence software is used by businesses across industries — primarily in decision-making to improve their supply chain operations, monitoring risks, capacity planning, and recognizing business opportunities.

While Kinaxis [reported](#) better-than-expected Q4 sales this morning, it missed analysts' earnings expectations. This could be the key reason for triggering a sharp sell-off in its stock on March 4. On the positive side, its SaaS revenue jumped by 24% in the last quarter and 25% in the full year 2020. The company has guided its 2021 SaaS revenue growth to remain stable despite the negative impact of COVID-related incremental booking delays.

I expect the demand for artificial intelligence-based solutions to surge in the coming years as more businesses seek to modernize their decision-making process with the help of technology. This could keep a long-term rally going in Kinaxis stock in the coming years.

Foolish takeaway

Buying such amazing tech stocks amid the ongoing market pullback could be one of the best investment decisions you can make. Holding these stocks for the long-term has the potential to give you extraordinary returns in the coming years and even make you a millionaire.

CATEGORY

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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)

3. TSX:KXS (Kinaxis Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SHOP (Shopify Inc.)

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Author

jparashar

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