



## 2 Top TSX Stocks to Buy in the 2nd Week of March 2021

### Description

The broader market is continuing to rally in March, as the **TSX Composite Index** hit a fresh intraday all-time high on Monday. The index posted a high near 18,596 on March 8 — higher than its previous record high near 18,580. However, some popular tech stocks are continuing to slide this month. Investors locking in their profits after [months of a rally](#) could be driving the ongoing correction in these high-flying stocks rather than a sudden change in their fundamentals. That's why long-term investors can use this opportunity to buy these falling high-growth tech stocks cheap, as they could yield outstanding returns in the coming years. Here are two of my favourite TSX tech stocks to buy this week.

### Shopify stock

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has emerged as one of the most remarkable Canadian technology companies in recent years. The company posted phenomenal financial growth last year. This financial growth was mainly driven by a massive demand surge for its e-commerce platform offerings amid the pandemic-related shutdowns.

Its gross merchandise volume jumped by 96% last year to US\$119.6 million. Shopify's adjusted gross profit registered a massive 78% rise to US\$1.57 billion in 2020 — helping it more than double its bottom line to \$491.3 million. After showcasing massive growth last year, it could be challenging for the company to maintain its profits at the current levels in 2021. Shopify's management is currently focused on improving its fulfillment operations, software, and support capabilities. These consistent improvements could help it maintain its 2021 net profits in line with its 2020 profits.

In fact, I expect it to grow further, as many people who recently subscribed to Shopify's platform during the COVID-19 phase are likely to continue using its services. Also, many small and medium businesses might allocate more funds to improve their online presence this year — after their financials stabilize with the gradually subsiding pandemic.

That's why the ongoing correction in Shopify stock could be an opportunity to buy its stock cheap before it skyrockets again in the coming months.

## Lightspeed stock

The shares of **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) have seen a massive sell-off in the last few weeks. After more than doubling in the fourth quarter of 2020, its stock has lost nearly 24% in 2021 so far. Lightspeed is a Montréal-based omnichannel commerce-enabling software firm that generates most of its revenue from the United States market — just like Shopify.

Its revenue-growth rate has significantly [improved](#) in the last three quarters from 51% to 79% YoY (year over year). Analysts expect this strong trend to continue in the ongoing quarter as well — with an estimated 92% YoY jump in its March quarter sales to US\$69.7 million. This expectation is in line with Lightspeed's guidance range of US\$60 to US\$70 million. I expect the demand for its cloud-based commerce platform to grow further in the coming years as more businesses try to expand their online presence.

## Final thought

In 2020, the shares of Shopify and Lightspeed rose by 178% and 149%, respectively. Currently, both of these amazing growth tech stocks are trading in the red on a year-to-date basis. Long-term investors can grab this opportunity to buy these stocks cheap this week and hold them forever to get extraordinary returns on their investment.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

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