



## 3 Stocks You'll Want to Buy in the Tech Sell-Off

### Description

After a year of incredible gains for tech investors, it looks like anxiety has set in. Rising interest rates and government stimulus could mean that inflation has spooked investors who have been putting their cash into high-growth tech investments during the pandemic. Others fear that with the pandemic behind, it'll be a return to pre-pandemic levels.

However, long-term investors should have no fear about today's tech sell-off. In fact, the drop creates a solid opportunity to buy a larger stake in long-term holds. So if you're looking for the best tech stocks to buy in the pullback, consider these three.

### Shopify stock

It looks like investors have been selling any tech stock during this sell off, the good and bad companies included. This has created some stellar bargains for companies in the tech sector, and that includes **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)).

True, the company is still pricey, but that comes with the territory for this \$170 billion company. When the e-commerce company announced its fourth quarter results last month, it showed that last year's growth doesn't have any sign of slowing. Revenue grew 94% year over year, and gross merchandise volume (GMV), which shows the value of products sold on Shopify, skyrocketed by 99%!

All this growth was supported by a soaring rise in subscription revenue of 53%, and merchandise solution of 117%! And even more was fuelled by the number of merchants coming onto the platform each month, setting a record for the third quarter. Yes, e-commerce will slow, but growth will still come. E-commerce isn't going away, with online sales in the United States recently growing by 32% year over year. There's just simply no going back now.

Shares are down 26% as of writing from all-time highs, so this stock looks cheap compared to those numbers. And given how the stock has acted before, it's likely to be a [rare](#) occurrence that won't last long.

## Real Matters

If you needed proof that **Real Matters Inc.** ([TSX:REAL](#)) was going to do well even during a market crash, last year proved it. The company saw revenue soar with lower interest rates. Companies across the continent used the software platform to renew loans and mortgages at lower rates.

But growth keeps coming. The \$1.4 billion company reported strong year over year growth in its U.S. Title segment of 24.8%, and adjusted EBITDA increased by 19.7%. The U.S. mortgage market in particular remains strong as people continue to refinance mortgages. Canada also posted strong results, as it continues to take on the market share and stronger market volumes. Revenue was up 40.7% and adjusted EBITDA by a whopping 67.8%!

And yet the stock still has a P/B ratio of 5.1, and a P/S ratio of 2.2, making it a valuable stock in today's pullback. Shares are up 15% in the last year, but that's after a huge fall of 54% This provides a superb jumping in opportunity for when a market correction occurs.

## Kinaxis

Investors still think twice about buying up **Kinaxis Inc.** ([TSX:KXS](#)) stock, and for no good reason. The company saw immense growth in 2020 with enterprise companies signing on to the supply chain management software. The \$4.6 billion company doesn't have one company taking up more than 5% of its total portfolio. And that includes the new customers to its service.

But the company is well known for its client retention and this means all these new clients are recurring revenue that will around for years. Meanwhile it continues to be an innovator in supply chain management, a service practically every business needs these days.

Earnings proved the company's worth recently with 25% year over year [growth](#) in software as a service (SaaS) revenue, and 24% growth in adjusted EBITDA. The company met or exceed every aspect of initial 2020 guidance which even pre-dated the pandemic. Sales grew by over 40% from 2019, and the company expects further organic and acquisition growth to support its growing pipeline.

Yet shares are only up 46% in the last year, after a fall of 34% as of writing. So again you have a prime opportunity to pick up this stock before another jump.

### CATEGORY

1. Coronavirus
2. Investing
3. Personal Finance
4. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:KXS (Kinaxis Inc.)
3. TSX:REAL (Real Matters Inc.)

4. TSX:SHOP (Shopify Inc.)

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