



Top 2 Stocks to Buy in the March Stock Market Pullback

Description

The tech stocks are currently going through a correction. Remember the September 2020 dip. The tech stocks corrected for two months, as investors feared the stimulus check would stop. When the second stimulus launched in October, the payments were delayed. This hints that the stock market rally came on the back of the stimulus money. Then why is the market correcting in March, when the Canada Revenue Agency (CRA) has extended the Canada Recovery Benefit (CRB) limit by 12 weeks?

Behind the stock market pullback

The **TSX Composite Index** has declined 1.4% since mid-March, as the coronavirus cases are rising in Germany and France, whereas the United Kingdom is easing lockdown. These different stages of the pandemic are keeping investors cautious. Moreover, it is the tax season, and this time, there is a tax on the stimulus checks as well. Many investors had invested a portion of their stimulus checks in the stock market, and now they are withdrawing it to pay the taxes.

But do you know the CRA has given one-year interest [relief](#) on your 2020 tax bill? This means you have to file your returns before April 30, and you can pay your tax bill by April 30, 2022. This is a perfect opportunity to buy some quality stocks at the dip and sell them when they rally and make a new peak.

The capital gains you make on these stocks will help you pay your tax bill, and you won't incur any interest from the CRA. I have identified two stocks worth buying in this [market pullback](#).

Shopify stock

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) stock has corrected more than 30% from its February high of \$1,900. This is the stock that garnered attention during the pandemic. It overtook **Royal Bank of Canada** to become the most valued stock trading on the Toronto Stock Exchange. It was also called the next **Amazon** as many big and small retailers switched to Shopify.

There is no denying that the e-commerce wave has just caught momentum and has growth potential. There are many giants like **Walmart** and **Amazon** and smaller players like **BigCommerce**. But Shopify has succeeded in becoming the preferred e-commerce platform of choice. The flywheel concept is helping Shopify scale its operations.

The long-term picture is optimistic for Shopify if it doesn't get gobbled up by the competition. For taking that risk, Shopify stock is rewarding you with triple-digit growth. In three of the last four years, the stock has surged triple digits. It is currently going through a correction, as management expects the pandemic-driven rally to end and the revenue growth to normalize.

But nothing else has changed for Shopify. It is still growing and expanding in different geographies. It is still the preferred platform, and when the seasonal shopping begins, the stock will rally once again. If you'd invested \$2,000 in Shopify in 2018, when the growth was subdued, you would now have \$13,800.

Lightspeed POS stock

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock has a similar fate as Shopify. The omnichannel platform for retail and hospitality gathered momentum in 2020. The pandemic created the need for physical stores to go contactless. The Lightspeed platform taught retailers and restaurants how to serve food and pull shoppers to their store while maintaining social distancing. The efficiency and ease of managing multiple stores made it a need-to-have instead of a nice-to-have technology.

Lightspeed stock has dropped 28% from its February high because of a market pullback. This is a good time to buy the stock at a discounted price. Nothing has changed for the company. It is still expanding geographically through acquisitions. The hospitality segment is picking up, as restaurants are re-opening with the easing of lockdown in some countries.

Like Shopify, Lightspeed also operates in a highly competitive space. But it also rewards you well for taking that risk. The stock started trading on the Toronto Stock Exchange in March 2019 and surged fourfold. A \$2,000 invested in the initial public offering would now be \$7,800.

Final thoughts

Both Shopify and Lightspeed corrected in September 2020 and then rallied more than 60% and 100%, respectively. This is your second chance to buy the dip and enjoy the future rally.

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TICKERS GLOBAL

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

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

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