2 Innovative Canadian Stocks That Could Change the World

Description

Cathie Wood's innovation-focused investment strategy has been generating major waves of late. She has been putting the stock markets to shame in 2020, and while it's been a rough start for her ARK line of funds, I think it'd be unwise to bet against her or any one of her innovative ETFs, despite the froth. To put it simply, Cathie Wood is a rule breaker, and she's more than willing to pay up for a front-row seat to be on the right side of what could be a profound technological shift in the 2020s.

Investing in innovative stocks like ARK's Cathie Wood

While Cathie Wood has mainly been buying the Nasdaq innovators, I think she has a lot to gain by looking to the innovative Canadian stocks on this side of the border. It's not just **Shopify** (TSX:SHOP)(NYSE:SHOP); a slew of high-tech companies could change the world over the next decade and beyond.

In this piece, we'll have a look at three high-tech growth plays that are still off considerably from their highs thanks to the recent growth sell-off. While the rising 10-year U.S. Treasury note could ascend to 3%, I still think any additional weakness in innovative Canadian stocks ought to be viewed as a long-term buying opportunity for those who want market-beating results over the next 10-20 years.

Shopify

First up, we have Shopify, a disruptive force in the small and medium business (SMB) space that recently took a jab to the chin amid the recent growth-driven correction. The stock is fresh off a 30% plunge, and it's still a buy, even as pandemic tailwinds fade. Why? The company is well positioned to continue spreading its wings over the e-commerce space. I view Shopify's target market as still lightly penetrated, which could mean Shopify still has plenty of gas left in the tank.

Tobias Lütke is a brilliant CEO, and he's worth paying up for, especially if you're looking for an innovator to help you achieve market-beating results over the next decade. Any near-term dips, like the one SHOP stock just suffered, I think, are nothing more than a great entry point for true long-term thinkers.

At just shy of 50 times sales, Shopify is not cheap, and it'll feel the full force of the next bond-yield-induced growth correction. So, fasten your seatbelt and be ready to scale into a full position over time.

Docebo

For those with a higher tolerance for risk, e-learning kingpin **Docebo** (TSX:DCBO)(NASDAQ:DCBO) may be the horse to bet on. Like Shopify, Docebo has been under considerable pressure of late thanks to rising bond yields and worries that pandemic tailwinds may begin to fade.

The Learning Management System (LMS) market is still ripe for disruption, and don't think for a moment that the WFH (work-from-home) trend will be limited to this pandemic. Many innovators think that the pandemic has accelerated the shift and that the future of work will lie both on and offline.

Docebo made big wins in 2020, and I don't think the momentum is about to slow anytime soon. Not while workforces are eagerly looking to adapt and invest in the future of work. In the meantime, higher rates and a rotation out of COVID-19 stocks could weigh on DCBO shares. Regardless, I'd treat such weakness as a long-term buying opportunity for those serious about future-proofing their portfolios with the innovators of tomorrow. It's such names that could change the world, and that makes them more than worthy of a premium price tag.

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TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DCBO (Docebo Inc.)
4. TSX:SHOP (Shopify Inc.)

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