



Top 2 TSX Stocks I'm Buying on a Dip Amid the May Tech Sell-Off

Description

The ongoing sell-off in the technology sector stocks intensified on Monday, which led to the broader market weakness. Yesterday, the **TSX Composite Index** shed 0.6%, while Canadian tech stocks like **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)), **BlackBerry**, and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) fell by 6.8%, 4.1%, and 3.1%, respectively.

Let's find out why it could be a great opportunity to buy the following two Canadian tech stocks cheap.

Shopify stock: A must-buy in May

The most popular Canadian technology firm Shopify's stock has lost nearly 10% in May so far. With this, the stock has seen a 9.3% year-to-date value erosion in contrast to an 11% rise in the TSX Composite benchmark.

The company continued to beat analysts' consensus earnings estimates when it [reported](#) its Q1 results on April 28. Shopify registered a massive 958% jump in its quarterly earnings to US\$2.01 per share. This was 160% more than analysts' expectation of US\$0.75 per share. Similarly, the company's sales for the quarter more than doubled to US\$989 million — also 16% better than analysts' estimate of US\$854 million.

While Shopify's management estimates its subscription solutions revenue growth in 2021 to be lower than its record figures in 2020, but it's still expected to be higher than any other year before that.

Shopify may continue to surprise investors by reporting far better-than-expected results in the coming year. In my opinion, most businesses that joined Shopify's commerce platform last year may continue to stick with it even in the post-pandemic world as they now understand the importance of having a good online presence. This is one reason why I expect Shopify stock to continue outperforming the broader market in the coming years.

Since Shopify went public in May 2015, its stock has yielded outstanding positive returns each year. You may want to add its stock to your portfolio right now — when it's trading with a 9% decline in 2021

so far amid the ongoing tech stock sell-off — before it starts rallying again.

Lightspeed POS stock

Lightspeed POS is another great tech stock that has been falling amid the ongoing tech industry sell-off in May. It is currently trading with 21% year-to-date losses. The company has seen handsome financial growth in the last year. That's the reason why its stock rose by 149% in 2020.

Lightspeed is already one of the top omnichannel commerce-enabling software providers. Last month, it completed the acquisition of Vend Limited — a New Zealand-based cloud retail management software firm. This deal came a few months after Lightspeed acquired ShopKeep — a New York-based cloud commerce platform provider. Overall, these acquisitions are likely to accelerate Lightspeed's [business growth](#) in the coming years and further expand its market reach.

Lightspeed will report its Q4 of fiscal 2021 results next week on May 20. Analysts expect the company to report a 93% year-over-year rise in its sales for the quarter. Its upcoming earnings event could help Lightspeed regain investors' confidence that could trigger another rally in its stock after the ongoing temporary tech sector sell-off.

Foolish takeaway

The recent fundamental trends and financial outlook of these two tech firms remain strong. That's another reason why I expect the ongoing sell-off in their stocks to be temporary. Investors can grab this opportunity to add some fundamentally strong tech stocks like Shopify and Lightspeed cheap.

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:BB (BlackBerry)
4. TSX:LSPD (Lightspeed Commerce)
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