



Got \$1,000? Two TSX Stocks to Buy

Description

High-growth tech stocks have taken a hammering after going through a dream run last year. After undergoing a tremendous surge in 2020, tech stocks have been on the retreat this year. With vaccination campaigns in full swing in some of the world's biggest economies, the world is taking baby steps toward normalcy. As a young investor with \$1,000 to invest, this could be an opportunity to add quality stocks to your portfolio.

While tech sell-off has given a buying opportunity, it is not the only sector that should garner your attention. A combination of high-growth tech stock with a high dividend-yielding stock should be the way to go. Two stocks, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) fit the bill.

Lightspeed POS stock

Lightspeed POS stock surged 10% since it reported [earnings](#). Over the past year, the stock has gained a staggering 145%. The Software-as-a-Service (SaaS) company serves small- and medium-sized retailers and restaurants having single and multiple locations. Apart from point-of-sale (POS) systems, Lightspeed offers multiple business solutions like curbside pickup, order head, and inventory management.

When lockdown ensued last year, Lightspeed's revenues took a hit as brick and mortar stores and hospitality businesses suffered. But the lockdown was an opportunity in disguise as more retailers started subscribing to Lightspeed to sell goods while adhering to social distancing and lockdown guidelines.

One of the most important metrics to measure this company's potential growth is the number of customer locations. Many of its customers usually opt for one of its services, and Lightspeed has the opportunity to cross-sell more products to those customers. Some customers have stores in multiple locations, including e-commerce stores, offering an opportunity for market penetration. At the end of fiscal 2021, over 140,000 customer locations were using its platform.

Lightspeed's net dollar retention rate is 100%, which indicates that the customers tend to be loyal. A loyal customer base and a chance to cross-sell multiple services represent an opportunity to grow in

the coming years.

BCE stock

BCE has built Canada's largest telecom infrastructure. An outstanding dividend stock, BCE could walk into any portfolio. If your portfolio is heavy on high-growth stocks, a dividend stock like BCE will be a great addition. The company offers services like wireless broadband, telecommunication, cloud, and internet of things support. This makes the company's revenue streams stable.

The stock has delivered average annual dividend growth of 6.4% and capital appreciation of 60% in the last 10 years. The stock is currently around with its 52-week high of \$61.27, but it is in a long-term growth trend that makes it a buy even at its high. BCE is poised to benefit from the [5G](#) revolution.

As a long-term investor, the dividend yield will offer you a source of income along with an opportunity to benefit from capital appreciation.

Final thoughts

If you are building a long-term portfolio, you can buy both stocks on dips. If you are building a defensive portfolio, allocate 75% toward BCE. This will ensure an income through dividends and also make your investment crash-resistant. If you have a higher risk tolerance, you could allocate 75% to Lightspeed. Slow accumulation on dips would be a perfect way to build your portfolio.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:BCE (BCE Inc.)
4. TSX:LSPD (Lightspeed Commerce)

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Author

pujatayal

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