



Forget Reddit Stocks: Buy These 3 Unbeatable TSX Tech Stocks Instead

Description

The recent massive rally in some meme stocks has become one of the hottest topics among stock investors lately. A handful of stocks like **BlackBerry**, **GameStop**, **AMC Entertainment**, and **Clover Health** saw a sharp rally earlier this month. Unfortunately, the rally in most of these [Reddit stocks](#) has seemingly run out of steam for now, as most of these stocks saw sharp losses in the last few sessions.

Reddit stocks

The rally in these stocks picked pace earlier this year after being widely discussed on Reddit's WallStreetBets group. The users of this subreddit apparently tried to go against institutional short-sellers and started consistently buying the stocks of selected companies — triggering a sharp rally.

But the recent sharp drop in these Reddit stocks once again demonstrated why buying stocks based on Reddit trading frenzy is too risky. It certainly isn't something that retail investors with low to medium risk appetites should consider. However, it doesn't mean small retail investors shouldn't expect good returns. They can buy some cheap stocks with good fundamentals for the long term to get handsome returns. Fundamentally strong stocks could even beat most of these Reddit stocks in the long term, I believe.

Here are three Canadian tech stocks with solid fundamentals that you can buy today.

Lightspeed POS stock

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock is one of my favourite Canadian tech stocks to buy right now. The stock hasn't seen much appreciation this year, as it's currently trading with only 0.3% year-to-date gains after posting solid 149% gains last year.

Lightspeed mainly focuses on providing its cloud-based, omnichannel commerce platform to small- and medium-sized businesses. These solutions make it easier for businesses to sell their products online, manage operations, engage with consumers, and accept payments. In its fiscal year 2021 (ended in

March 2021), Lightspeed's revenue rose by 84% compared to the previous fiscal year. Its sales growth rate is expected to increase further as analysts expect its sales to more than double in the ongoing fiscal year. Long-term investors can buy its stock right now before it starts rallying again.

Shopify stock

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is another tech stock that you may consider adding to your portfolio right now. Despite the ongoing strong trend in its financials, its stock has underperformed the broader market in 2021 so far. The stock is currently trading with 8% year-to-date gains — much lower compared to more than 15% gains in the **TSX Composite Index**.

Shopify registered 110% YoY (year-over-year) growth in its revenue in the first quarter. Its subscription solutions sales rose by 71%, and merchant solutions sales jumped by 137% YoY for the quarter. While the company's near-term sales growth may slow a bit in the coming quarters, its long-term financial growth outlook remains solid.

Open Text stock

Open Text ([TSX:OTEX](#))([NASDAQ:OTEX](#)) is a Waterloo-based enterprise software company. Its information management solutions help companies gain business insights and take the right decisions at the right time.

Despite COVID-19-related challenges, the demand for Open Text's software solutions remained stable, as its [revenues](#) have consistently been rising for the last seven quarters in a row. Analysts expect the company's adjusted net profit margin to expand to 27.2% in the fiscal year 2021 compared to 25.2% in the fiscal year 2020.

The shares of Open Text have also underperformed the broader market this year and trading with just 4.3% year-to-date gains. Long-term investors can buy its stock right now before it starts rallying again.

CATEGORY

1. Investing
2. Stocks for Beginners
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:OTEX (Open Text Corporation)
6. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Stocks for Beginners
3. Tech Stocks

Date

2025/07/20

Date Created

2021/06/14

Author

jparashar

default watermark

default watermark