



3 of the Best Canadian Tech Stocks I'd Buy With \$3,000

Description

Canadian tech stocks witnessed a fair amount of selling at the beginning of this year, as stretched valuations and expected normalization in demand amid economic reopening led investors to book profit. However, top Canadian tech stocks have started to gain momentum with shares of **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)), **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), and **Dye & Durham** ([TSX:DND](#)) gaining about 27.1%, 24.5%, and 15.3% in one month.

While the reopening of the economy could shift a portion of consumer spending toward offline retail and services, I expect the companies mentioned above to continue gaining market share and delivering stellar financial and operating performances on the back of secular industry tailwinds. Furthermore, I am bullish on these three tech giants and expect these companies to outpace the benchmark index in 2021 and beyond.

So, if you've got \$3,000, consider adding these top tech giants to your portfolio right now.

Lightspeed

Lightspeed is my [top pick](#) among the TSX-listed tech stocks. The company has delivered sky-high returns and made its investors very rich. Its revenues have risen at a breakneck pace on the back of its strategic acquisitions and recurring subscription and transaction-based revenues.

I believe the company has multiple growth catalysts that provide a solid foundation for outsized growth in the long run. The demand for its commerce-enabling platform is likely to remain elevated, while the spending on omnichannel platforms should continue to drive future growth. Also, the growing adoption of its multiple modules by its existing customers should drive its average revenue per user. Overall, its rapidly growing customer base, innovation, acquisitions, expansion in high-growth markets, and a shift in selling models towards omnichannel platforms should give a further boost to its revenues and solidify its competitive positioning in high-growth markets.

Shopify

Despite trading at a premium valuation, shares of Shopify are a must-have in your portfolio. Its stock continues to craft new highs, thanks to its growing market share, innovation, new product launches, and expansion of its selling and marketing channels. Last week, the company expanded partnerships with **Facebook** and **Alphabet's** Google. The deal could accelerate the growth of its merchant payment service, Shop Pay.

While Shopify stock has appreciated a lot, I expect the uptrend to sustain, reflecting a continued shift towards e-commerce platforms. I believe the favourable industry trends and increased spending on omnichannel platforms are likely to provide a long runway for multi-year growth. Further, Shopify's robust fulfillment network and growing sales channels are likely to drive its merchant base and support its top-line growth. In addition, the solid momentum in its payments solutions, improved operating leverage, expansion of product offerings, growing global footprint could [accelerate its future growth](#).

Dye & Durham

Dye & Durham is another top tech stock that could deliver stellar returns in the long run. Its business has performed exceptionally well over the past several years in a row, while its stock jumped nearly 232% since it was listed on the TSX last year. Moreover, I expect Dye & Durham stock to trend higher in the coming years, reflecting its growing customer base and robust organic and inorganic growth opportunities.

Notably, Dye & Durham's revenues are highly diversified, and it has more than 50,000 active customers. I believe its strong base business, global expansion, and ability to acquire and integrate businesses to drive its revenues and adjusted EBITDA at a very high rate, which is likely to drive its stock higher.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DND (Dye & Durham Limited)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SHOP (Shopify Inc.)

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