



## Top Canadian Tech Stock Hitting All-Time Highs Now!

### Description

July has been a great month for Canadian [technology stocks](#). The **S&P/TSX Capped Information Technology Index** is up over 19% year to date. That is actually beating the overall **TSX Index** by nearly three percentage points. While many have talked about the return to value stocks in 2021, TSX technology stocks continue to be a great place to invest your money.

## Canadian technology stocks have proved their resilience

As we enter the dog days of summer, it appears the stock market is recognizing the resilience of Canadian tech stocks. Both in and out of the pandemic, Canadian technology businesses are finding ways to succeed. Frankly, many of these stocks will be supported by the general shift to a more digitized and technologically streamlined world.

A number of Canada's [top technology stocks](#) are hitting all-time highs. Certainly, they are not cheap, and I would perhaps wait for some sort of pullback to start a new position. Yet, given their strong market position and positive long-term thesis, I would definitely keep them on my radar. Here are two top Canadian tech stocks that are hitting all-time highs this week.

## A digital commerce leader

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) has quickly become one of the most exciting Canadian tech stocks. It started out as a point-of-sales provider for small- to medium-sized retail and hospitality merchants. Yet it has quickly been rising as an advanced omni-channel commerce platform. In fact, the company [plans to change its name](#) to Lightspeed Commerce to represent this shift.

Since May, it has announced a number of exciting acquisitions that will vastly expand its platform's capabilities. Its stock has risen almost 50%, and today it is trading just below all-time highs. Yet this business still has lots of upside.

There are hundreds of thousands of merchants that still use legacy point-of-sales systems. Given its

global scale, Lightspeed has a large addressable market to penetrate. Likewise, its expanded solution offerings help it compete with the likes of **Twilio**, **Shopify**, and **Square**.

This Canadian stock is very expensive. However, given its great execution and large addressable market, it is a great business to buy and own for the long term.

## A Canadian tech stock for the decades

I would be careless to talk about top Canadian tech stocks and not mention **Constellation Software** ([TSX:CSU](#)). At least in terms of a long-term return perspective, this stock is legendary. Over the past 10 years, Constellation investors have enjoyed a gain of 2,520%. That isn't including dividends or its recently spun-out **Topicus.com** shares either. The stock just hit a new all-time high.

This Canadian stock is a master at compounding investor returns. It acquires vertical market software businesses across the world. It then applies best practices, managerial expertise, and capital. Eventually, it turns them into leaders in their niche software market. As these software businesses mature, they yield tons of free cash flow. Constellation harvests that cash and reinvests it into new niche businesses.

This recipe has worked for years. Now that Constellation's business has fairly substantial scale, growth could slow when compared to the past 10 years. Yet it is being creative about how it allocates capital.

It has started to target larger SaaS businesses, and it could potentially spin-out other niche parts of its business. Even if its growth rate were to be half of its 10-year average, investors could still earn 15-20% average annual returns. For a long-term hold, this is one Canadian tech stock that still has a great future ahead.

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2. Tech Stocks

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1. Editor's Choice

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