



2 Hot Stocks to Buy in August

Description

After much speculation and volatility, it seems that the Canadian stock market is back on track to deliver stellar returns to stock market investors. The year 2020 was a rollercoaster of a year for investors, with many high-quality stocks declining to unanticipated lows. One of the most interesting outcomes in the pandemic was a prolific growth for Canadian [tech stocks](#).

The changing global landscape affected every aspect of our lives. However, advancements in technology and innovative tech-based solutions provided much-needed relief to the professional landscape. The tech sector became the primary growth driver for the Canadian stock market as many tech companies became massive.

The tech sector went through a drastic pullback in recent weeks after delivering stellar returns for most of 2020. As conditions become favourable for the tech sector again, I would like to discuss two industry giants that you should [consider adding to your portfolio](#) this month to enjoy substantial returns from these assets before they start growing further.

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) has been a powerful presence on the **TSX** since it became a publicly traded company in 2019. The stock is up by more than 480% in the last two years and is up by 184% in the last 12 months. Trading for \$110.05 per share at writing, the Canadian tech stock has been an inspiring success story that has made many investors much wealthier in a short time.

Unlike many other assets that offer high growth with a higher degree of risk, Lightspeed's stellar performance is backed by favourable industry conditions and intelligent decisions by the company's management. The company caters to a wide variety of e-commerce and POS needs for SMBs. The company's excellent mergers and acquisitions strategy has also allowed it to expand its geographical presence, allowing it to generate rapidly growing revenues.

Despite the volatility that it might add to your portfolio, Lightspeed stock could be worth adding to your

portfolio if you seek significant returns on your investment.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is a tech success that has eclipsed every other stock on the TSX. The e-commerce behemoth has enjoyed an epic run on the stock market. Since its inception on the stock market in May 2015, Shopify stock's valuation has increased by an unbelievable 5,336%.

At writing, the tech stock is trading for \$1,899.38 per share, but it managed to cross the \$2,000 mark earlier before dipping down to this valuation.

Despite analyst expectations of a significant correction many times in recent years, Shopify stock has continued to provide stellar returns to its shareholders. The macro trends in the industry favour continued growth for the stock, even at such high valuations.

Its recent pullback from the \$2,000 mark could provide investors with an ideal opportunity to pick up its shares before it reaches stratospheric heights.

Foolish takeaway

The global landscape was already going through a shift that favored increasingly digitized business processes. However, the onset of the pandemic forced a rapid acceleration of the process, and companies like Lightspeed POS and Shopify were well-positioned to capitalize on the shift.

Despite a recovery on the horizon, there have been some permanent changes to the world and how we conduct businesses. [Tech companies](#) like Shopify and Lightspeed might have only just started to realize their long-term growth potential and the favorable industry trends will likely continue.

It might be a good decision to add shares of the two companies to your portfolio today to capitalize on the substantial upside potential that the tech sector giants can offer.

CATEGORY

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3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

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Author

adamothonman

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