



TSX Defies Delta: Up 17.45% Year to Date to Start August 2021

Description

The **TSX** is on a hot streak since climbing over 20,000 for the first time on June 4, 2021. Exactly 21 trading days later, on July 6, the index recorded a new record, closing at 20,300 points. Then again, on August 6, Canada's primary benchmark soared higher to 20,475.40 to post a 17.45% year-to-date (YTD) gain. Will the Delta variant prevent it from achieving a new milestone?

Energy leads the advancers with only materials, out of the 11 primary sectors, in negative territory. Last year's top performer, the tech sector (+23.52% YTD), is the fourth-best performer. However, the energy sector declined 11.58% in the last 30 days, while the **Shopify**-led sector gained 3%.

[Growth stocks](#) are increasing in numbers, especially in the tech sector. If you were to choose [potential multi-baggers](#), **Absolute Software** (TSX:ABT)([NASDAQ:ABST](#)) and **Nuvei** ([TSX:NVEI](#)) should be tops on your list. Both companies have excellent growth momentum, which should propel the stock prices higher in due course.

Dividend-paying growth stock

Most [growth-oriented companies](#) would instead invest their earnings for further growth than pay dividends. Absolute Software isn't a mature company (28 years in operation), yet it pays a modest dividend. Somehow it sends a clear message about the future growth prospects. It's also a demonstration of financial strength.

The \$877.82 million cloud-based platform for enterprises and the public sector offers a blend of growth and income, a rarity in the tech sector. Would-be investors can earn two ways: capital gain and dividends. Market analysts see a 36.36% potential upside in the next 12 months. Thus, the appreciation from \$17.73 to \$24.18 plus the 1.8% dividend should translate to a higher overall return.

Christy Wyatt, Absolute Software's President and CEO, said the company is strongly positioned to meet the critical need for resilient, autonomous endpoints and self-healing mobile network access. As the leading Endpoint Resilience solutions provider, Absolute helps governments, industries, and the private sector deter cybercriminals from stealing sensitive data.

In Q3 fiscal 2021 (quarter ended March 31, 2021), recurring revenue and cash from operating activities increased 18% and 95% versus Q3 fiscal 2020. Management expects to end this fiscal year with a 14% to 15% annual revenue growth.

Frictionless commerce

Nuvei has rewarded investors with massive returns since going public during the COVID-19 year. From \$46.15 on September 18, 2020, the tech stock trades at \$104.42 on August 6, 2021, a 126.26% climb. Had you invested \$5,000 then, your money would be worth \$11,313.11 today. Also, it outperforms the TSX thus far in 2021 (+34.23%).

The large-cap tech stock (\$14.46 billion market capitalization) is an electronic payment processing company. Nuvei's proprietary platform offers a single point of integration for customers' payment needs across diverse industries. The Q1 2021 results were short of spectacular.

Nuvei's revenue increased 80.08% to US\$149.9 million compared to Q1 2020. Its net income was US\$32.8 million versus the US\$62.4 million net loss in the same period last year. Philip Fayer, Nuvei's Chairman and CEO, said, "We're actively focusing on opportunities that provide innovative solutions for frictionless commerce, no matter how or where our clients operate around the world."

Growth momentum

The Delta variant has had minimal impact on the TSX so far in August 2021. Even if it stalls the rally soon, expect the growth momentum of [Absolute Software](#) and Nuvei to continue.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:ABST (Absolute Software)
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