



2 Canadian Tech Stocks to Buy This Month

Description

Equity market indexes continue to trade near or at record highs, raising concerns about the high-growth tech stocks that have been driving the rally to become increasingly expensive. [Investing in technology](#) became the new gold rush during 2020 when some of the top tech companies in Canada used the changing global landscape to their advantage and saw their revenue growth rates soar.

In market conditions like these, it is wise to diversify your portfolio to gain exposure to more defensive assets that can protect your capital in case of a downturn. However, you should not become overly cautious and forget about assets that can still [generate stellar returns](#) for your portfolio.

Today, I will discuss two of the top Canadian tech stocks that you should keep on your radar this month.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) has been at the forefront of Canadian tech giants that have been making it big on the Toronto Stock Exchange since its IPO six years ago. The e-commerce giant has become the largest company in terms of market capitalization after dethroning **Royal Bank of Canada** stock. Shopify is up by a massive 5,257% since 2015, beating analyst expectations year after year.

The stock briefly crossed the \$2,000 mark on the TSX before it declined. At writing, Shopify stock is trading for \$1,872 per share. The recent 9.5% dip in its valuation from its all-time high could make it an ideal opportunity for investors to pick up Shopify shares for their investment portfolios.

Despite its expensive share price, Shopify has shown time and time again that it can continue to generate stellar returns, despite seeming like it will slow down.

Lightspeed

Lightspeed ([TSX:LSPD](#))([NYSE:LSPD](#)) is also one of the fastest-growing stocks on the TSX.

Lightspeed became a publicly traded company in 2019, and the stock is up by over 530% in just over two years since its IPO. The company has leveraged the rapid shift to e-commerce sales in the retail sector by offering products and services that enabled its clients to operate in the changing global landscape.

Lightspeed has also been busy with its strategic acquisitions that have increased its product offerings and expanded its geographic presence. While Lightspeed POS might have a long way to go before it becomes a profitable company, it is a company with the potential to grow into its expensive valuation due to positive industry trends.

Foolish takeaway

The investor optimism on the back of a recovery in consumer demand, economic expansion, and an improving operating environment continues to push Canadian stocks higher. The high valuations should encourage you to diversify your capital allocation into defensive assets.

However, you should still consider investing in [high-growth assets](#) that can continue generating substantial returns for you, provided that the market continues to sustain the positive momentum in the coming months.

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

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