



2 Hot Canadian Tech Stocks That Are Impossible to Ignore

Description

Many of Canada's top tech stocks are riding high on [momentum](#) these days. After a volatile first half of 2021, the high-growth firms have not looked back, and I don't suspect they will, as they look to add to their gains to close off what's been an incredibly strong year.

Let's have a closer look at two of my favourite tech stocks that will likely be [tough to stop](#), as they continue leading the broader **TSX Index** to much higher levels. While their valuations may be a tad stretched, I think their respective growth trajectories make them worthy of the elevated price of admission. Still, beginner investors should proceed with caution and insist on buying gradually into a full position.

So, if you want to own \$4,000 worth of shares, it may make sense to buy \$1,000 incrementally over the coming quarters, just in case that much-awaited correction finally does kick in. Come a broader market pullback, the biggest winners could have the furthest to fall.

Consider Canadian e-commerce stud **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and red-hot payments play **Nuvei** ([TSX:NVEI](#)), two winners that are poised to continue winning.

Shopify: An unstoppable e-commerce stock

Shopify has repeatedly shown that a high price-to-sales (P/S) multiple is not indicative of severe overvaluation. Undoubtedly, when it comes to high-growth stocks, one needs to re-think how they evaluate.

In the case of Shopify, its huge TAM (total addressable market) in its corner of the e-commerce market made it a name with a high growth ceiling. Not only does a firm require such a growth runway, but it needs a management team that knows how to execute. CEO Tobias Lütke is quickly becoming a household name after putting Shopify on the global growth map. Shopify continuing to one-up itself, inspiring analysts to up their price targets regularly, proving that it's worth a richer premium that Mr. Market had slapped on shares.

Arguably, Shopify boasts one of the best management teams out there. As the company explores new verticals, I think investors should stay out of the way of the name if they're thinking about betting against it. Yes, the valuation is frothy, but when hasn't it been? Moreover, to bet against Lütke is to bet against one of the most brilliant minds in the entire tech industry.

If you haven't bought in yet, I'm all for waiting for a pullback. Just don't bet against the name because the valuation, I believe, is still justifiable by the incredible growth prospects and its magnificent leadership.

Nuvei: Finally, a hot fintech stock for Canadian investors

Nuvei is another Canadian tech darling that could become a household name over the next several years. The payment-processing firm has blasted off around 250% since its first closing day of trade. Fueling the epic rally were some pretty incredible quarters that saw some applaud-worthy growth numbers. No firm can sustain such growth numbers over the long haul, but at just north of 35 times sales, I think investors may be discounting the firm's abilities to sustain high double-digit growth over the next five years.

Like Shopify, I wouldn't want to get in the way of the name, as it continues adding to its gains. Given the hefty valuation, investors would be wise to nibble on shares gradually to mitigate the risks of a near-term pullback. In any case, expect Nuvei to continue making acquisitions to further enhance its already remarkable portfolio of fintech offerings.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:SHOP (Shopify Inc.)

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Date

2025/09/11

Date Created

2021/09/02

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