



3 Top TSX Tech Stocks to Buy in September 2021

Description

[Technology stocks](#) are the foundation of the future economy. Most investors know this. However, picking the right tech stocks to build the foundation of one's portfolio — that's a more difficult task.

As digitization and various secular catalysts take over, investors need to focus on the big picture with their stock picks. These three top TSX tech stocks provide the kind of growth potential aggressive investors are looking for.

Accordingly, let's look at the best of what the TSX has to offer.

Top TSX tech stocks: Shopify

No list of tech stocks is complete without mentioning **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). This massive e-commerce platform has witnessed impressive capital appreciation for the past few years. Currently, Shopify's stock price is approaching its all-time high. However, I think this stock may have a lot more room to run.

Why?

Well, Shopify is a growth machine. The company's recent [57% revenue growth](#) this past quarter exemplifies this. Shopify has done this by providing an essential service to SMBs. Indeed, the company's e-commerce platform provides retailers with the ability to switch to an online model or have an omnichannel presence. In this new economy, this is a great thing.

Shopify's valuation is certainly rich. However, investors seeking top-notch long-term growth potential need to pay up these days. For those looking for high-quality growth, Shopify is about as good as it gets.

Constellation Software

One of the best historical performers among all tech stocks has been **Constellation Software** ([TSX:CSU](#)). This consolidator of smaller software companies has developed a business model that works. By leveraging the company's portfolio, Constellation has been able to boost its portfolio companies' collective returns. Over time, this has resulted in a compounding effect that's hard to recreate.

Investors bearish on Constellation may believe that this runway is limited. There's no way Constellation can keep up this acquisition pace over the long term.

However, it turns out that now is a great time to be a consolidator. There happen to be thousands of potential targets for Constellation to choose from. Indeed, as we've seen, Constellation knows how to pick 'em.

Until the company stops hitting home runs and starts striking out with deals, this is a stock investors should own for the long haul.

Open Text

Another big Canadian player in the software space, **Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)) also follows a growth-by-acquisition strategy. The company sells information management software and cybersecurity-related software, making its business model as defensive as high-growth stocks can be.

Open Text has carved out a niche as a reliable supplier of digital transformation and information modernization solutions. It has also made many well-timed acquisitions to gain access to world-class channel partners. Additionally, the company has made strategic partnerships with industry leaders like Google to strengthen its core products.

I think Open Text provides long-term investors with the kind of growth potential they're looking for. Like the other picks on this list, Open Text isn't cheap. However, for investors looking for quality, these are all solid picks.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:OTEX (Open Text Corporation)
5. TSX:SHOP (Shopify Inc.)

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Author

chrismacdonald

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