



2 Blue-Chip Stocks With Excellent Growth Potential

Description

As the **S&P/TSX Composite Index** continues to hit new all-time highs, Canadian investors have been enjoying significant returns on their investments in the stock market. The ongoing vaccine rollout, economic expansion, and rising consumer demand have led to a rapid rebound for broader markets.

Investors often look to small market capitalization stocks in bullish market environments to get the opportunity to generate significant market-beating returns. However, there are high-quality companies in the stock market, even in the current operating environment, that boast the potential to deliver stellar shareholder returns. The key is to find the right blue-chip stocks that operate in an important space that offers a wide runway for the companies to grow.

[Investing in technology](#) has proven itself to be a successful strategy for many investors seeking blue-chip stocks with [excellent growth potential](#). Today, I will discuss two such stocks from the Canadian tech sector that you should have on your radar today.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is the first name that comes to mind for most investors when they think of a blue-chip stock that has delivered market-beating returns. Shopify stock has been so consistent at beating expectations that it is impossible to consider that the stock will ever stop.

It was one of the leading equity securities that led the rally for the stock market throughout 2020, and after a relatively rocky first half to 2021, it is trading for \$1,934.95 per share at writing. The stock is up by over 50% from its share price in mid-May 2021.

The e-commerce industry saw massive tailwinds propel companies like Shopify to new heights during the pandemic. The company's management has fully leveraged the trend by expanding it from a website-building company into one that offers POS and shipping services among much more in a matter of years. Despite being near its all-time highs, the stock still has a lot of steam in itself to continue delivering stellar returns.

Constellation Software

Constellation Software ([TSX:CSU](#)) is another high-growth tech stock that has delivered market-beating returns to its shareholders over the years. It is not as exciting as the younger Shopify stock in terms of rapid growth. However, Constellation Software stock is up by over 11,800% since its IPO in May 2006 at writing. That is a very impressive figure to deliver in just 15 years of trading on the stock market.

The company has managed to sustain a high growth rate for several years by successfully finding and acquiring smaller tech companies and growing them. The company's ability to find and acquire profitable companies has resulted in the company adding over 100 companies under its banner over the years.

By buying smaller companies that aren't growing and integrating them into its platform, Constellation Software has done a terrific job compounding its capital in the long run.

The company still boasts a solid balance sheet, and it is well positioned to continue delivering excellent returns. The stock is trading for \$2,186.42 per share at writing, and it is an attractive buy, even with such a high price tag.

Foolish takeaway

After a volatile first half of 2021, many of Canada's top tech stocks are riding high on momentum these days. Despite carrying such a high price tag, shares of many of these high-growth companies do not look like they have run out of steam just yet.

2021 has been a strong year for the top tech firms like Shopify and Constellation Software, and it seems that the companies are well positioned to continue delivering [stellar shareholder returns](#) for a long time.

If you are an investor looking for blue-chip stocks that can make you a much wealthier investor, in the long run, Shopify stock and Constellation Software stock could be ideal picks for you to consider for your portfolio.

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3. TSX:SHOP (Shopify Inc.)

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