



Which Sector Is the Best Investment in Q4 2021: Tech, Cannabis, or Crypto?

Description

Technology, cannabis, and cryptocurrency are high-growth markets. It's hard to keep track of the developments in each sector, but you'll be surprised at their estimated market sizes in a decade or more down the road. If you're a [growth investor](#), which sector will you invest your money in?

Cybersecurity is a critical concern

Innovations and developments emerge from the tech universe every so often that new ones immediately replace some technologies. Published reports say the U.S. tech industry alone could reach US\$5 trillion by year-end, a 4.2% growth trend. Artificial Intelligence, in particular, is transforming our world and leading us into the [tech economy](#) of the future.

Cybersecurity is among the critical concerns because data risks or breaches are escalating. As such, **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) is an attractive investment prospect in the tech sector. The \$729.32 million company offers uncompromised visibility and near real-time remediation of security breaches at the source.

Absolute Software should thrive in the emerging work-from-home era. In the fiscal year 2021 (year ended June 30, 2021), total revenue increased 15% to US\$120.8 million versus fiscal 2020, while net income fell from US\$10.6 million to US\$3.7 million. For fiscal 2022, management projects an 11% to 13% revenue growth.

Based on analysts' forecasts, the current share price of \$14.75 could climb 25% to \$18.49 in the next 12 months. The return should be higher as Absolute pays a 2.21% dividend, a rarity in the tech sector.

Transformational industry

According to data from ResearchAndMarkets.com, the global [cannabis market](#) could be worth US\$90.4 billion by 2026 (28% compound annual growth rate). Besides the growing medical applications of cannabis, its federal legalization in the U.S. will primarily drive growth. The recreational segment,

especially, is expected to grow during the forecast period rapidly.

Canopy Growth ([TSX:WEED](#))(NYSE:CGC) is the acknowledged industry leader, although it continues to underperformer (-40% year-to-date) in the stock market. If you still own WEED today, analysts recommend a hold rating. Their 12-month average price target is \$29.74, or a 58% increase from its current price of \$18.78.

The \$7.34 billion cannabis producer from Smiths Falls believes it has a new model for a transformational industry. **Constellation Brands** is Canopy's strategic investor (38.6% ownership) and partner. The American multinational beverage conglomerate will play a key role in capturing a significant share of the U.S. cannabidiol (CBD) beverage market.

Emergent blockchain technology

HIVE Blockchain Technologies ([TSXV:HIVE](#))(NASDAQ:HVBT) outperforms Absolute Software and Canopy Growth so far in 2021. Investors currently enjoy a 59.83% gain. Also, at \$3.82 per share, the trailing one-year price return is 843.21%. The \$1.43 billion company mines and sells digital currencies like Bitcoin, Ethereum, and Ethereum Classic.

A recent report by Allied Market Research projects a compound annual growth rate of 12.8% for the global cryptocurrency market (2021 to 2030). The market value will hit around US\$4.94 billion by 2030. Furthermore, the Asia-Pacific crypto industry will be the fastest-growing due to increased competition from a growing number of exchanges.

HIVE projects its operational crypto mining rate to triple by year-end 2021. However, the growth-oriented technology stock in the emergent blockchain industry cautions investors about the high daily volatility of Bitcoin and Ethereum (+/- 6%).

Take your pick

All three growth stocks featured here are exciting investment prospects. Understand the risks in each one and make sure they align with your risk appetite.

CATEGORY

1. Cannabis Stocks
2. Dividend Stocks
3. Investing
4. Tech Stocks

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2. NASDAQ:CGC (Canopy Growth)
3. TSX:ABST (Absolute Software)
4. TSX:WEED (Canopy Growth)
5. TSXV:HIVE (Hive Blockchain Technologies)

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