



## Tech Dip Continues: 3 Stocks You Should Keep an Eye On

### Description

The tech sector has been seeing some trouble since the first week of October, both in Canada as well as across the border. The tech-heavy **NASDAQ** has fallen almost 5% in the last month or so. And here, the **S&P/TSX Capped Information Technology Index** is down over 9%. Compared to other, relatively heavy sectors (like finance and energy), tech tends to move fast, and it might recover and go past its 2021 peak in a matter of weeks.

But if it's a correction and the sector is destined to dip further, you might want to keep an eye on a few amazing tech stocks to buy at just the right time.

### A software and services company

**Enghouse Systems** ([TSX:ENGH](#)) is a Markham-based software and service company, which has been operating for well over three decades, quite an age for a software company. The company serves specific vertical markets through two of its business groups, each with two different business segments. Enghouse's diversity of products/services it offers is its major strength. But it's also a weakness since the company doesn't have a spearheading technology focus.

The company also holds the distinction of being the oldest Dividend Aristocrat in the tech sector. It has grown its payouts for 14 consecutive years, but the 1.1% yield is almost inconsequential. The company's capital growth prospects, however, are quite strong. It offers a 10-year CAGR of 29%, and the number is not as skewed as it would have been a few months ago because the stock has fallen almost 26% from its 2021 peak.

Even from a valuation angle, the company is quite attractive, especially compared to other aggressively overpriced tech stocks.

### An online learning platform

While the pandemic was the kick starter for [online learning](#), the change was in the wings for a long

time. Technologies and platforms like the ones **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) has the potential to change learning forever, and not just exclusively in the educational domain but in the professional domain as well.

Docebo was a powerful stock from the begging. From its inception on the **TSX** around April 2020 to December 2020, the stock grew almost 500%. Then the pandemic happened, and Docebo got to ride the tech recovery wave. It has been in a correction phase since early September (along with the rest of the sector) and has already fallen 18%.

The stock is a decent buy now, but it will become significantly more attractive if it keeps falling at its current pace for a month or so more.

## An e-commerce giant

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) hasn't been [an attractive buy](#) from a valuation perspective for a very long time. Even now, when the stock has already fallen 16% from its glamorous \$2,000 a share valuation, it's still quite an expensive buy.

The chances of the stock falling anywhere near a three-digit valuation are quite slim, but if such an accident happens any time soon, you shouldn't wait to buy Shopify (unless there is something fundamentally wrong with the company).

Shopify has already carved out a decent place for itself in the e-commerce sphere. It's the choice of over a million business owners around the globe who have used it to establish an online presence and their first e-commerce store. But the company is facing challenges. Some existing competitors are growing at an incredible pace, and new players, like **Adobe**, are joining the e-commerce market, making the competitive market even tenser.

## Foolish takeaway

[Tech stocks](#) are usually powerful growth bets, but only if you buy at the right time. If you buy too late, you risk an expensive price tag and the chances of the company falling into a long-term correction, or worst, investors disregarding it as irrelevant. But these tech companies have proven their mettle and will be great investments at the right price.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DCBO (Docebo Inc.)
4. TSX:ENGH (Enghouse Systems Ltd.)
5. TSX:SHOP (Shopify Inc.)

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