



2 Stocks Primed for a Breakout Before 2021 Ends

Description

September 2021 was a particularly painful month for stock market investors throughout Canada, as the **S&P/TSX Composite Index** put in its worst performance since the pandemic began. Things have improved drastically towards the end of October, as the benchmark index recovered close to its previous all-time high.

The latest pullback wiped the frothiness off many overvalued stocks, and the market now seems to be reaching higher but with healthier prospects. Tech stocks led the bull market in 2020, and [investing in technology](#) has become a popular trend among Canadian investors amid the pandemic.

Most investors found themselves in a difficult position regarding what to do about their investment portfolios during the last downturn. With the volatile month in the past and the S&P/TSX Composite Index back up to favourable levels, it could be the right time to take a step back and see if you can find high-quality stocks that are [primed for a breakout](#) before the year draws to a close.

Today, I will discuss two Canadian tech stocks that could perfectly fit the bill for this purpose.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is a giant in the e-commerce space that has consistently delivered stellar growth to its shareholders, and the company does not seem likely to slow down. Even at its current levels, Shopify stock has the potential to deliver double-digit growth. The company has constantly been innovating its offerings to become more attractive for small- and medium-sized businesses as their top choice for the services it provides.

It is no secret that Shopify stock has been ridiculously overpriced for many years. The onset of COVID-19 and the changing consumer habits only accelerated its growth. However, the firm has proven time and time again that it can grow to meet such high valuations by delivering revenues that reflect the potential it has with its capital gains.

Trading for \$1,741.63 per share at writing, it is not the cheapest stock you can find. However, it could

still be worth the investment as it trades for an over 15% discount from its all-time high.

Docebo

Docebo ([TSX:DCBO](#))([NASDAQ:DCBO](#)) is a \$3.15 billion market capitalization stock that could be worth adding to your portfolio at its current levels. The once red-hot stock was on a strong bull run on the TSX before the September 2021 downturn in the market saw it decline by 26.04%, peak to trough within a matter of weeks. The stock has started to recover, and it is trading for \$96.23 per share, reflecting a 17.82% discount from its all-time high.

While the downturn might have soured the perspective of many investors on Docebo stock, the company's plans to release more innovative products could still add more fuel to the fire for its growth. It might be a matter of time before it resumes its red-hot momentum and deliver stellar growth in the coming months.

Foolish takeaway

Positive breakout stocks are the publicly listed companies that tend to outperform the broader market to deliver superior shareholder returns to investors who buy and hold the shares of those companies at the right time.

Tech stocks have not had the most terrific year in 2021, being left behind by a [superior performance by the energy sector](#). However, the weakness across the sector is slated to subside before the year ends. It could position some high-quality tech stocks to deliver stellar shareholder returns.

Shopify stock and Docebo stock could be ideal breakout stocks for you to consider adding to your portfolio for this purpose.

CATEGORY

1. Investing

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1. Editor's Choice

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1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DCBO (Docebo Inc.)
4. TSX:SHOP (Shopify Inc.)

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Date

2025/07/06

Date Created

2021/10/19

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