



2 TSX Tech Stocks to Buy in November 2021

Description

The **S&P/TSX Composite Index** is up more than 20% since the beginning of 2021. Even with the Canadian market up big this year, though, there's still no shortage of top [tech stocks](#) trading at a discount today.

Growth stocks led the way for [Canadian investors](#) last year, but it's been a slower year in 2021 for growth investors, particularly in the tech sector. Valuations of many top tech stocks are still extremely expensive, but now may be an opportunistic time to put some cash to work.

Investing in high-priced tech stocks

High-valued growth stocks tend to be riskier and more volatile than slower-growing, blue-chip companies. The hope for [growth investors](#) is that over the long term, even with the volatility, the stock's growth will outperform the broader market's returns.

The tech sector is one area of the market that is full of high-priced companies. Since the COVID-19 market crash in early 2020, Canadian growth investors have witnessed incredible surges in many top stocks, delivering multi-bagger growth in less than two years.

If you can stomach the risk, now may be a wise time to be loading up on tech stocks. Despite the market's strong run this year, there are lots of great buying opportunities on the TSX right now.

I've reviewed two market-leading tech stocks trading below all-time highs right now. They're far from cheap from a valuation perspective, but they likely won't be considered cheap stocks anytime soon.

Shopify

Nearing a market cap of \$250 billion, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has a clear lead as the largest public company in the country.

The tech stock has been more than a 50-bagger since it joined the TSX in 2015. Still, it continues to deliver market-crushing gains to its shareholders. Growth has slowed in recent years, but the massive opportunity in the e-commerce space has me betting that there will be many more years of market-beating growth for the tech company.

Not only is Shopify the largest company on the TSX, but it's also one of the most expensive. The tech stock is trading at a lofty price-to-sales (P/S) ratio above 40. That's extremely expensive, but it's also been trading at a rich valuation ever since it went public.

Shares have been on fire since the last week of October, but the tech stock is still down close to 10% from all-time highs.

Shopify is at the top of my watch list this month.

Lightspeed Commerce

If you had **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) on your watch list, now's the time to start a position.

The tech stock is down more than 40% from all-time highs set earlier this year. Shares tanked 30% following the release of the company's second-quarter earnings last week. Revenue growth for the quarter tripled year over year, but losses were higher than expected.

Losses may be increasing, but management is proving they are dedicated to reinvesting aggressively into the business. Lightspeed continues to grow its product line and expand geographically both organically and through acquisitions.

With the recent selloff, the tech stock is trading at a much more reasonable P/S ratio of 25. Considering that shares are up close to 400% since it went public in 2019, that's a fair price to pay.

CATEGORY

1. Investing
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1. Editor's Choice

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Date

2025/10/01

Date Created

2021/11/09

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