3 Stocks I'm Buying During the Tech Correction

Description

The market hasn't been very strong to start the year. One reason for this decline in the broader market may be attributed to fears related to rising interest rates. If interest rates are increased, then growth stocks could have a tougher time borrowing money, leading to slower growth rates. That's why investors may have noticed that tech stocks have been hit much harder than stocks in other sectors. In fact, many popular tech stocks are trading more than 20% lower than their all-time highs.

However, the consequences of rising interest rates should only affect stocks over the short term, assuming a company's business is strong. In this article, I'll discuss three stocks I'd buy during this tech correction.

This stock leads an important industry

Shopify (TSX:SHOP)(NYSE:SHOP) is the first tech stock I would consider buying. As of this writing, Shopify trades more than 10% lower than where it started the year. It also trades about 38% lower than its 52-week high. This is an opportunity to invest in an exceptional company that doesn't come around very often. Despite the recent slump displayed by Shopify stock, its business remains very strong.

In fact, Shopify even managed to beat its Black Friday-Cyber Monday sales figures. Many investors assumed it would have a hard time replicating its success from the 2020 black Friday-Cyber Monday weekend, as many consumers have returned to in-person shopping. Shopify further displayed its ability to grow when it surpassed **Amazon** in quarterly customer traffic for the first time in history.

E-commerce still only accounts for a very small proportion of the total retail industry. However, there's evidence that suggests online shopping has a lot of traction among consumers. As e-commerce continues to grow, expect Shopify to grow alongside it, as it continues to make online retail accessible to everyone.

The business world will continue to operate remotely

When COVID-19 restrictions were re-instated in response to the rising number of cases related to the Omicron variant, it became evident that remote work isn't going anywhere anytime soon. In fact, it confirms the need for businesses to be able to offer remote working options to its employees. This all bodes well for **Docebo** (TSX:DCBO)(NASDAQ:DCBO), a company that provides a cloud-based and AI-powered eLearning platform to enterprises.

Docebo stock currently trades more than 40% lower than its all-time highs. However, investors shouldn't be worried. The company's revenue and customer base continue to grow each year. As more enterprises turn to online solutions, Docebo should continue to find success. Mega-cap companies like Amazon have already turned to the **TSX**-listed LMS provider after coming to terms to a multi-year partnership.

This top growth stock is offering a major discount

Last year, **Topicus.com** (TSXV:TOI) was one of the most interesting growth stories on the TSX. It was spun out of **Constellation Software** in February, then saw its stock rise more than 120%. However, today the company is valued at a discount of about 30% from its all-time highs. Despite this, I believe Topicus is a stock that all growth investors should hold over the long term.

Topicus maintains its strong ties to Constellation Software, one of the most successful Canadian tech companies in history. Six members of Topicus's board of directors are current or former executives from Constellation Software. If Topicus can take advantage of this important partnership, then it has a chance to avoid crucial mistakes that even Constellation Software may have made early on. If Topicus can produce even half of the returns that Constellation has produced since its IPO, it'll see very impressive gains from here.

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2. Tech Stocks

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3. TSX:DCBO (Docebo Inc.)
4. TSX:SHOP (Shopify Inc.)
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