



## 2 Stocks That Could Melt-Up Once Tech Bottoms

### Description

2022 wasn't supposed to be a very good year for returns. Many pundits have had low expectations for the year, given it was unlikely to top a solid 2021. With a correction kicking in this January and continued choppiness in February, I believe that DIY investors can "stock pick" their way to market-beating returns. Indeed, you can pick your spots when volatility kicks it up a notch. While volatility is a bad thing for investors who need to get out at some point in the near future, it's a good thing for long-term investors who want better prices now so that they can get the most bang over the next five, 10, or even 20 years out.

Indeed, older near-retirees may be a tad concerned in this market. For young investors with time on their sides, however, I think it makes sense to look to some of the most beaten-up growth stocks on the TSX. Once tech bottoms, the upside bounce could be sharp. Of course, nobody, not even investing legends like Charlie Munger or Warren Buffett, will know when the stock market will bottom and when tech will start moving higher again.

### When will tech bottom? Nobody knows. Focus on the long run if you seek deep value in growth

The Nasdaq 100, a great gauge of how tech is performing in the American market, may have already bottomed. But what about the speculative, high-multiple tech stocks that have been dealt selloffs well north of 50%? Think the stocks that Cathie Wood owns. Has her flagship fund, **ARK Innovation**, finally bottomed? Or could more pain be ahead? Could ARK continue sagging lower, as the Nasdaq 100 stages a recovery? Indeed, these are the big questions that investors are asking. But the answers are unknowable at this juncture.

Instead, investors should focus on the next 10 years, rather than if a particular group of stocks will bottom tomorrow, next week, next quarter, or next year. Focus on company specifics and only be a buyer if you deem a company is worth less than its market price. It's that simple. Of course, [growth](#) stocks are harder to value, especially with rates rising by some unknown rate.

In any case, long-term investors should look to the tech rubble here, as I think some intriguing long-term bargains exist at this juncture. Also, ensure you've got a stomach for further near- to medium-term volatility. Even if you're young and have time on your side, you need to have the willingness to embrace potentially sizeable day-to-day moves. Otherwise, you'll just be on the receiving end once the tides turn against you and you begin to doubt yourself.

## Docebo and Shopify: 2 Canadian tech stocks that seem overdue for a pop

What tech stocks could melt-up after their selloffs? Think **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) or **Shopify** stock, two high-quality stocks that crumbled despite past strengths. Both companies can continue to fire on all cylinders, and once this rate-induced meltdown is over, I believe that both could bounce back rather quickly.

Personally, Docebo seems too [cheap](#) here given its high-growth ceiling. Docebo is a LMS (Learning Management System) software developer that has intriguing AI tech by its side. Although the end of the pandemic could be in the cards in 2022, hybrid work is probably not going anywhere. This bodes well for demand for work-from-home products like Docebo. Further, digitization could continue to pick up traction, and consolidation could ensue. Indeed, Docebo strikes me as one of the babies thrown out with the bathwater. Sure, a lack of profits is a concern as rates rise. But I think most damage is already done. The stock crashed, losing around 50% of its value already.

Although I'm a bull on the \$2.3 billion tech up-and-comer, I'd average into a full position, given its rampant volatility. Further, I have no idea when the tech wreck will end. If it's like the dot-com bust, it could take well over a year for the pain to end.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. TSX:DCBO (Docebo Inc.)

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