



Market Correction: 1 Innovative Tech Stock I'm Thinking About Buying

Description

The recent market correction has been oh, so [painful](#) this time around, especially for young, beginner investors, who found themselves a tad overweight in tech stocks. Indeed, it's really easy to lose track of your portfolio's sector allocation after a year like 2020, when it seemed like tech was the only way to make a considerable amount of cash over the near to medium term.

Growth (especially high-multiple growth) was in and value was out. And many newbies wanted to get in on the momentum trade. After a brutal correction in the U.S. stock market, with the Nasdaq 100 falling to a greater magnitude (around 16%), many new investors got punished severely. Those who held more speculative tech stocks, like those owned by the likes of ARK Invest's Cathie Wood, were dealt severe losses. Such investors may very well be in a bear market right now, holding on for dear life.

Rate-hike fears move markets into correction

With rate hike fears boiling over, it certainly seems like the rate-induced damage was overdone. With Ukraine-Russia fears easing on Monday, I think the market has the means to move higher after all the negativity to start the year. Remember, corrections are positive for the bull market's long-term health. If there's "wretched excess," as Charlie Munger previously put it, sometimes it's better to puke out that excess, so the market can feel better afterward.

Indeed, if a correction is needed, you want to have it right away, rather than letting the discrepancy between a stock's market value and intrinsic value build.

Personally, I think it's time to start thinking about getting back into some of the growth names that many others were so quick to ditch. Yes, there's still a tonne of risk by attempting to catch the fast-falling knives in the **TSX Index** right now. But if you're a young investor who's looking for a long-term hold (think the next 10-20 years), it makes a lot of sense to evaluate some of the names that will eventually turn a corner.

The benefits of averaging down in those risky corners of the

market

Nobody knows if growth will turn around this year, next year, or in many years from now.

That's why a dollar-cost averaging (DCA) approach makes a lot of sense for those who acknowledge that they cannot time the bottom. This acknowledgement, I believe, leaves investors well ahead in the game over those who think they can trade in and out of markets at a whim.

Timing the bottom is virtually impossible. So, by going into a new name with such an approach, you can build a full position and not need to worry constantly about those near-term moves, which are likely less meaningful in the grander scheme of things.

Docebo: An intriguing growth option to buy on the tech dip

Currently, **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) looks like an intriguing growth option after the S&P 500 correction. The pandemic could go endemic, but hybrid work will probably stick around. That means firms will need to continue bolstering their remote work capabilities. Docebo is a great player in the WFH movement, with its AI-powered tech that creates value for its firms. The Learning Management System (LMS) space, I believe, is still in its early innings. With the stock down over fears that rates could take off, I think it's about time to take a contrarian position, despite all the negatives you'll hear about tech and growth.

Over the next five years, some [speculative](#) tech stocks will move on while others are wiped out. Docebo, I believe, is one of the names that ought to be grouped in the former camp. It has a great niche product with more room to grow. While profits may not be in the cards over the near term, I think the stock has already served most of its sentence for being a high-multiple tech name worthy of correction.

Could Docebo evolve to be one of Canada's top tech titans?

It could. But it'll take some time as the firm makes it through this latest perfect storm of headwinds.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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

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