2 Stocks I'm Buying During a Tech Correction

Description

Over the past year, many growth stocks have struggled to continue the strong performance they showed through 2020 and the early stages of 2021. A big reason for these struggles could be due to the grim economic conditions we're currently experiencing. Many people around the world are struggling to keep up with inflation. As a result, spending has decreased. In order to mitigate the effects of inflation, interest rates have risen, making it more difficult for growth stocks to continue growing at a fast rate.

With that in mind, many investors have decided to stay away from tech stocks, as they've trended downwards. However, it's during times like these when investors should be buying as many shares as possible. By taking advantage of excellent companies at low prices, you can build your portfolio and set yourself on the path to financial independence.

In this article, I'll discuss two **TSX** stocks that I'd buy during the tech correction.

This e-commerce stock could still thrive

Despite the slowdown in consumer spending, I'm still very bullish on the e-commerce industry. I believe these headwinds are going to be temporary and that once consumer spending returns, retail stocks will see happy days again. **Shopify** (TSX:SHOP)(NYSE:SHOP) remains one of the largest players in the e-commerce space.

This stock has taken a lot of heat as of late. Earlier this week, Shopify announced that it would be laying off about 10% of its workforce. This compounds the already negative sentiment from investors, after Shopify stock fell more than 70% from its all-time highs. With that said, the e-commerce industry continues to grow, albeit at a more modest pace than we've seen over the past couple years. I believe that Shopify could continue to grow alongside the e-commerce industry. The company reported a 16% year-over-year increase in its Q2 2022 earnings presentation.

However, one major question remains. How long will this slowdown in consumer spending last? If you're like me and predict that it won't stick around for long, then Shopify could be a stock for you!

Another play on the e-commerce industry

If you're looking for another play on the tech and e-commerce industries, then consider buying shares of **Goodfood Market** (TSX:FOOD). This is an online grocery and meal kit company. It's previously been estimated that Goodfood holds a 40% share of the Canadian meal kit industry. That makes it one of the leaders in this growing industry.

When it comes to organic company growth, Goodfood may have one of the more impressive track records around. In 2016, the company reported $3 million in revenue. By 2021, that revenue had grown to $379 million, signifying a compound annual growth rate (CAGR) of 163%. In a similar light, Goodfood's subscriber base grew at a CAGR of 151% over the same period. The company has managed to achieve this growth by expanding from one to 10 Canadian provinces. Today, it operates out of 17 facilities.

Goodfood continues to be founder led, which is a very important trait that investors should consider. Founder-led companies tend to maintain the startup mentality, helping them outperform peers led by non-founders over the long term.

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1. Investing
2. Tech Stocks

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