Now’s Your Chance to Buy the Big Tech Stocks You Missed Out on

Description

Did you miss out on big tech stocks in 2001, 2009, or 2020?

If so, now could be your best opportunity yet to buy them.

Although most big tech companies are still more expensive than they were in 2009, many of them are now approaching or even beating their 2020 valuations.

This year has seen a massive selloff in big tech, with some of the world’s most profitable companies falling 30%, 50%, or, in some cases, even 70%. The NASDAQ-100 — the index of the biggest U.S. tech companies — is currently down about 30% for the year. Bargains abound.

In this article, I will explore two big tech stocks that are looking good after having sunk to shocking lows.

Google owner sinks to shocking lows

Alphabet (NASDAQ:GOOG) is one stock that has really taken a beating this year. Currently trading at US$87.76, it is down approximately 39%.

There are various reasons why Alphabet is being beaten down.

First, its most recent earnings released showed the company still hiring, despite the fact that a recession was taking a bite out of its growth. The third quarter saw Google add a whopping 10,000 new employees, even though it hinted earlier that it would slow the pace of hiring. New employees mean extra costs, and Wall Street did not take Google’s aggressive hiring well.

Second, Google recently got smacked by the public release of ChatGPT, a new AI language model that can retrieve information instantly. When ChatGPT came out, many programmers claimed that it was better than Google for finding solutions to coding problems. This started up the inevitable chorus of people saying that Google had been “disrupted” and would eventually fall out of favour.

All of the above sounds bad for Alphabet, but we need to remember these things:

- GOOG owns YouTube, Google Cloud, and many other services that aren't negatively impacted by ChatGPT in any way.
- ChatGPT cannot show news results, because it only has access to information from before 2021.
- Google has said that it would slow its hiring down in 2021.

Basically, the selloff we've seen in GOOG shares looks very overdone. It's quite possible that the stock will recover in 2023.

Top TSX stock tumbles on good earnings

Constellation Software (TSX:CSU) is another technology stock that took a beating this year. It started off the year at about $2,300 and has fallen about 8.6% since then. This selloff has been less severe than Alphabet's and even harder to justify: Constellation's most recent earnings release showed 33% growth in revenue and 28% growth in net income. Basically, this company is growing, not shrinking, yet its stock price is going down.

Constellation's chief executive officer (CEO) Mark Leonard is a true guru of tech investing. His investor letters are widely read like Warren Buffett's, and his purchases have resulted in his stock going up 11,500% over 16 years. Basically, Leonard knows what he's doing, and if he continues doing as well as he did in the past, Constellation will continue to perform well. That in itself doesn't make Constellation a buy, but the odds are that the stock is a better buy now than it was at the start of the year.

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