



Big Tech Turnaround: 2 Potential Leaders to Buy Today

Description

Indeed, the 2020 stock market crash saw one of the fastest recoveries of all time. It's just not realistic to think that such a bounce is in store anytime markets head south. Sometimes, bear markets can drag out for many quarters. And after they end, the ensuing bull market may walk, rather than run out of the gate.

It's hard to tell what's on the mind of the Bank of Canada or the U.S. Federal Reserve (the Fed, as it's referred to by many market participants). On one hand, markets may be a coiled spring just waiting for the Fed to announce some sort of dovish chatter. On the other hand, markets may still be underestimating how many rate hikes it'll take before the Fed is ready to declare a win over high inflation.

The Fed versus inflation will be the battle that'll move markets yet again. The only question is what type of damage the battle will have on our portfolios!

In any case, I think there's more to be optimistic about today than last year. Expectations have been brought down considerably. Further, hope and euphoria have turned to doubt and gloom. It's easier to make money (over the long term) in the latter environment than the former. So, if you've got a time horizon beyond 10 years, consider the following gems today, while they're cheap.

When times get tough, it's time to stick with the proven leaders. Currently, I view **Apple** ([NASDAQ:AAPL](#)) and **Constellation Software** ([TSX:CSU](#)) as long-term winners that will keep on winning over the next decade and beyond. This coming recession will undoubtedly have an impact. However, investors focused on the long haul should view any pressure on shares as just another bump in the road to be recovered from.

Apple

Apple stock outperformed the S&P 500 in the early stages of [the bear market](#). Now, the tables have turned, and the broader S&P 500 is now moving higher, mostly without Apple's help. Indeed, the iPhone maker has been hit with supply-side woes. With uncertainties regarding demand for the latest smartphone and recent analyst downgrades, it seems like the glory days of the tech leader are drawing

to a close. Despite the relative sluggishness, I remain bullish on Apple.

Looking to 2023, supply headwinds could pass. Further, I think many longer-term catalysts are being passed up by many, including the firm's plans to replace a **Broadcom** ([NASDAQ:AVGO](#)) with one of its own creations. Apple's cutting more players out of the iPhone pie. And in due time, I think the impact will be felt in higher margins. Add services growth into the mix and Apple looks like a [great pick-up](#) while it's down and out.

Constellation Software

Constellation Software has been doing far better than most tech stocks, including Apple. Shares are off just north of 5% from its high. The company, which has been known to spot value in the software industry, looks incredibly cheap at these levels. At over 71 times trailing price to earnings, CSU stock doesn't seem like too great a deal.

Still, given the mix of profitable growth prospects, I view the name as a "buy whenever it dips modestly" type of play. Management is just so good at finding promise in the small-cap software space. Indeed, small-cap software is a tough place to thrive. Few firms in software scene can deliver consistent risk-adjusted rewards as well as CSU.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NASDAQ:AVGO (Broadcom Limited)
3. TSX:CSU (Constellation Software Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
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Date

2025/09/27

Date Created

2023/01/12

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