



2 TSX Tech Stocks Innovating Hard in AI

Description

It's hard to avoid the artificial intelligence (AI) chatter, with OpenAI and ChatGPT continuing to experience robust demand from many curious users. Undoubtedly, the generative AI chatbot is very intriguing and useful for a shockingly large number of things!

The impressive tech can help you draft emails, write poems, recommend books or films, and even craft short stories. Though the current form of ChatGPT could use some tinkering before it's ready to be included alongside some serious applications, I think the rise of AI is more than just a trend.

Indeed, crypto was the high-tech, high-hype trend of yesteryear. Ultimately, most [investors](#) didn't make a lot by trading the tokens. Still, unlike crypto and other innovations leveraging blockchain technology, AI is something that appears profoundly disruptive. I was always a skeptic of emerging technologies, crypto included, but AI seems to be a different beast.

Canadian stocks harnessing the power of AI?

The big-tech companies are harnessing it, and smaller-cap firms are itching to get their own innovations out the door to capture the business of consumers. With tech layoffs ongoing, productivity and margin enhancement are key. As the new generation of AI technologies roll out, firms may have more incentive to embrace AI advancements, even if they're far from perfect in their current form.

In any case, if big-tech names are looking to AI for growth, I think it's a mistake to dismiss AI as just another bubble just waiting to be popped. The AI revolution may very well be underway. And in this piece, we'll have a look at two TSX tech stocks that are doing a pretty good job of investing on the front of AI.

Consider e-commerce star **Shopify** ([TSX:SHOP](#)) and learning-management system software mid-cap **Docebo** ([TSX:DCBO](#)).

Shopify

Shopify is a fallen e-commerce darling that many Canadians have been at odds with in recent months. It's been a hard fall, but the stock's year-to-date performance suggests the implosion (shares collapsed over 80% from peak to trough) was overdone.

In any case, Shopify is continuing to push forward, not just with e-commerce tools and fulfillment capabilities, but with AI. Now, Shopify isn't exactly a firm that comes to mind when one thinks of AI. However, the firm's new product-description tool seems to suggest Shopify's open to exploring the realm of possibilities opened by AI.

In a prior piece, I'd praised management for their work on the tool named "Shopify Magic." Further, I think there may be many more AI-harnessing offerings that could help Shopify stock recover, albeit choppily through the next two years.

Shopify's recent quarterly flop has created a nice entry point in the name. With shares down 18% in just a few days, I'd look to initiate a small position here. Shopify's still an innovator and one that may have a few more AI tricks up its sleeve!

Docebo

Docebo is a firm that soared high in the first half of 2021, only to come crashing down. The provider learning-management system (LMS) software solutions makes good use of AI to help tailor learning to individuals. As remote and hybrid work continue to be the norm for many, look for productivity enhancers like Docebo to continue to be in high demand.

As Docebo's AI powers improve with time, I think the firm's moat could widen. With that, the stock may be one of the few mid-caps that can continue to power higher, even in the face of higher rates and trimmed corporate budgets.

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