3 Top Tech Stocks for Growth Investors to Buy in 2021

Description

2021 has been touted as the year that growth investing flips over into value investing as the dominant market trait. But there is always room for growth in any portfolio, and nowhere has such growth been more pronounced in recent years than in the tech sector. The problem with tech, though, is that fast-moving societal change is causing dangerous volatility. So, which stocks should investors buy today?

Focus on "the story" when buying tech stocks

Descartes Systems Group (TSX:DSG)(NASDAQ:DSGX) is a solid pick for exposure to the business digitalization trend. It's something of a perennial play, considering that there's never a wrong time for business optimization. While stratospheric returns aren't this stock's defining feature, investors are increasingly looking to Descartes for upside. At the time of writing, Descartes shares had put on 4.8% across five days of trading.

An investment in **Nvidia** (NASDAQ:NVDA) brings a range of tech exposures to a growth stock portfolio. Taking in everything from the gaming boom to artificial intelligence via semiconductors, Nvidia is surprisingly diversified. Overvalued, but with room left to run, Nvidia's high price target of $700 and solid market outlook are compelling. If investors can see past a P/B of 20 times book, 31% upside potential marks Nvidia as a strong consensus buy.

Love it or hate it, **Netflix** (NASDAQ:NFLX) has become a benchmark not only for digital content distribution, but also its production. Becoming something of a studio in its own right, Netflix has comprehensively disrupted the movie exhibition industry. But Netflix also made a name for itself as a momentum stock. Though that momentum has fizzled appreciably of late, there is every chance that this stock could reignite.

More growth could be on the way

Few pundits saw much room left to run in Netflix. But the economic advantage enjoyed by this name is not just holding up, but actually widening. Just look at that 13% boost that came on the heels of a 200 million subscriber threshold. And while stay-home stocks could have limited capacity for expansion, Netflix is a wide-moat option. The doughty ticker has shown that it has what it takes to stand up to the mighty **Disney** and ubiquitous **Amazon**.

Weighing these three stocks for inclusion in the tech segment of a portfolio brings up some interesting trade-offs. While Nvidia is clearly an expensive stock, its five-year returns could be in excess of 1,600%. Compare this with the similarly pricey Netflix and its 400% five-year returns potential. By comparison, Descartes's P/B of six times book seems better balanced against a conservative 200% returns potential.

Whether casting around for some home entertainment, running and gunning on a favourite console, or even optimizing a shipping contract, a range of digital enterprises is covered by these three stocks. While value for money could be better, none of these three names is in seriously overbought territory just yet. That means that any of the three could make an upside-rich addition to a stock portfolio in need of some added tech exposure this year.

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1. Investing
2. Stocks for Beginners
3. Tech Stocks

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1. Editor's Choice
2. growth
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TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NASDAQ:NFLX (Netflix, Inc.)
3. NASDAQ:NVDA (NVIDIA Corporation)
4. TSX:DSG (The Descartes Systems Group Inc)

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