



Got \$2,000? Buy These 2 Top Tech Stocks That Are on Sale Right Now

Description

It's hard to believe that even after a 35% market crash earlier this year, the Canadian market is actually up year to date. The **S&P/TSX Composite Index** dropped almost 40% earlier this year, as the COVID-19 pandemic hit North America. That crash has been followed by an [incredible bull run](#) that's currently at a gain of 55%.

The global pandemic has caused all kinds of different reactions from companies and entire industries across the globe. Most tourism and travel-related companies, unsurprisingly, have been hit particularly hard this year. Many tech stocks, however, have had a much more bullish reaction to the pandemic.

Investing in tech stocks

With Canadians spending more time than ever at home this year, the dependence on technology has dramatically increased.

Many consumers that rarely shopped online prior to the pandemic quickly saw a change in habit there. Business-wise, we've seen a massive shift of employees ditching the shared workspace and setting up a home office. That shift alone has created all kinds of demand for data-security and IT-related technology.

It's been a great year for tech investors, but there is a price to pay if you're looking to own market-beating growth monsters. We've seen valuations of some tech stocks skyrocket.

Canada's largest company, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), has coasted its way to gains of more than 100% since the beginning of the year. It's grown an incredible 200% since the market bottomed out at the end of March. Growth like that isn't cheap, though.

Shopify trades at a lofty price-to-sales ratio of almost 70 today. There's a very good chance that Shopify will continue to outperform the Canadian market for many more years, but you'd better be ready to hold through the very likely volatility if you're considering being a shareholder.

Not all tech stocks are overvalued today. Even though the market has rallied more than 50% since the end of March, Canadian investors have the opportunity to buy these two top tech stocks that are

[trading at a rare discount](#) today.

Tech stock #1: Enghouse Systems

If you're looking to ride the wave of work-from-home stocks, **Enghouse Systems** ([TSX:ENGH](#)) is a stock for you.

The \$3.5 billion company develops software for enterprise-level customers across a wide range of industries. Enghouse Systems develops software for all kinds of customer interaction products and services, including contact centres and video collaboration tools.

After the tech stock doubled in price from the end of March to July, it's been a rough go since peaking in early September. The stock price is down nearly 20% over the past three months.

Tech stock #2: Kinaxis

Sticking with software companies, **Kinaxis** ([TSX:KXS](#)) is the second tech stock on my radar today.

The company provides its cloud-based software solutions to supply chain operation teams across the globe.

The drastic changes in consumer shopping behaviour this year has created a significant increase in demand for Kinaxis's software. The tech company provides its customers with not only supply chain planning software but services to help with inventory management and order fulfillment, too.

Kinaxis has had a similar year to Enghouse Systems in terms of share price performance. The tech company saw its share price more than double from the end of March to early August. Since August, though, the stock is down close to 25% now.

Foolish bottom line

If you're looking for a couple of tech stocks to invest in, there's no need to break the bank. Both of these tech companies are trading at valuations far cheaper than the likes of Shopify.

If you've got some cash to spare, these are two tech stocks you'll be glad you picked up while they're trading at a rare 20% discount.

CATEGORY

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2. Tech Stocks

POST TAG

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TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:ENGH (Enghouse Systems Ltd.)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:SHOP (Shopify Inc.)

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Date

2025/09/10
Date Created
2020/12/17
Author
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