



## 2 High-Growth Tech Stock Trends to Invest in Today

### Description

The effects of the pandemic on the tech sector are so complex that it will take a historian to straighten them out. In the near-term, some names have generated masses of momentum. We've seen several booms and busts in this sector in 2020, and the year's not even over yet. But looking longer-term, sustained growth may be harder to come by. Today we'll examine two tech trends that might be able to cut it.

### Social distancing is a growth trend

**Microsoft**, **Twitter**, and **Square** – one thing they all have in common is a permanent remote work strategy, born of the necessities of the pandemic. **Docebo** ([TSX:DCBO](#)) caters to this trend, and although it's overvalued, investors may wish to add it to a watch-list in case of a market deterioration this fall. In the longer-term, the digitalization trend is likely to continue to grow – just watch out for near-term volatility.

In fact, the “work from home policy” is likely to be a common feature of digital companies after the pandemic. The benefits are varied: Cutting down on commutes is environmentally friendly, for one thing. For another, a permanently distanced society helps to reduce the risk from future pandemics. And for the socially anxious employee, working from home can also be beneficial to productivity.

This thesis is powerful enough to generate some steep capital gains. Docebo is up 368% this year. And while it's had its ups and downs, the last three months have seen share price growth in the 40% region.

### Edge computing could drive tech stocks higher

Investors bullish on tech but not necessarily *au fait* with all the latest terms may have overlooked edge computing. Simply put, it's a cloud computing spinoff with a localized angle. The edge in question refers to the network's physical edge, as defined by the proximity of actual devices. And yes – there are stocks that play into this development. Consider such names as **Fastly**, or **Cloudflare**.

However, valuations are getting pumped up in this space as overzealous buying heats up the tech stock space. These stocks are often niche and in dangerous places with regards to valuation. Just look at Fastly. The [TikTok kerfuffle](#) cost Fastly a one-day 30% drop at one point this month.

Fastly should be a warning to all tech stock investors. Investors have seen more than one tech stock selloff this year – and it could be a pattern that extends into 2021. Indeed, a vaccine breakthrough – and of course, economic recovery itself – could lead to another sudden [panic about overvaluation](#) in tech stocks. However, the edge computing space itself is certainly one to buy into at the right entry point.

In the meantime, other tech trends are faltering. **Netflix** and **Disney** have fallen foul of a souring content streaming space. Digital content production has become an overcrowded playing field, and there are only so many subscribers to capture. There's also every reason to assume that a recovery will see cinemas reopening. A movie exhibition boom could burst the "stay home" bubble increasingly relied upon by streamers.

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