

## Is This Newly Listed Tech Stock the Future of the TSX?

### Description

**Ceridian HCM Holding Inc.** (TSX:CDAY)([NYSE:CDAY](#)) listed its stock April 25 with little fanfare. Based in the U.S., its main product, Dayforce, is a cloud-based payroll management platform with headquarters in Toronto. While it may not seem like a big deal on the face of it, [Ceridian's appearance on the TSX](#) may in fact signal a sea change in the future of Canadian investing. Here's why.

### Let's get technical

The TSX has long been dominated by oil and bank stocks, more or less reflecting the Canadian economy to a tee. Compared to other countries' stock exchanges, technology makes up a very small percentage of the overall value of the TSX. The total value of technology on the TSX right now is \$193 billion – and that's split between 421 companies. That's out of a total value of \$2.2841 trillion. By contrast, the combined value of just two banks listed on the TSX is currently \$233 billion.

So it makes sense that tech stocks don't usually figure highly in talk of Canadian stocks. To say that technology is underrepresented on the TSX is an understatement, to say the least. But with the appearance of Ceridian, that may be about to change.

### So what makes Ceridian so special?

With an initial market cap of US\$462 million (currently around \$598 million Canadian), Ceridian is not only the biggest tech company to debut on the TSX, it's also one of the 25 biggest corporate initial public offerings the TSX has *ever seen*.

Technology is overdue for a boom in the Canadian investment landscape. If it happened, it would bring the TSX more in line with international stock exchanges — and give Canadian technology the investment it deserves. Depending on whether it sinks or swims, Ceridian's ballsy appearance on the TSX may signal the beginning of such a boom, and be a harbinger of the future of Canadian tech stocks.

### Does Ceridian have any competitors on the TSX?

Competitors – or allies in a coming tech boom? If you're thinking about adding Ceridian to your shopping basket, you could balance the buy with another discounted tech stock. Let's take a look at some of the bigger tech companies currently trading on the TSX at a discount.

In terms of market cap, there's at least one other tech company worthy of your attention. That's **Celestica Inc.** ([TSX:CLS](#))([NYSE:CLS](#)) with a market cap of \$1,883.6 million. It's deep into semiconductors, and focuses on materials sourcing with sidelines in product development and supply chain management. Currently undervalued, their stock may be worth snapping up if you want to pad out the tech side of your portfolio. Paired with Ceridian, Celestica would form a nicely balanced tech segment for your portfolio.

A couple of other possibly undervalued tech companies floating around on the TSX are **Intertain Group Ltd.** (TSX:ITX), and **Points International Ltd.** (TSX:PTS)(NASDAQ:PCOM) However, with lower market caps of \$266.5 million and \$208.2 million, respectively, they don't quite make the cut.

But with [lots of other Canadian tech stocks to invest in](#), the examples above are not alone if you're shopping around for a stock to complement Ceridian. And it's good to see that there are solid players ready to take the ball and run with it should a tech boom start to develop in the TSX.

### The bottom line

Should you buy Ceridian stock? The company is close to breaking even, which is almost certainly the main reason it has pushed so hard to be listed on the TSX. While it isn't time to look to Ceridian for dividends just yet, the stock is worth having if you can get your hands on it.

With its asset base growing, a healthy acquisitions strategy, and customers signed up for the long haul, Ceridian could make good on its gamble and become a long-term fixture. If you want to see a Canadian tech stock boom, you know what to do.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:CDAY (Ceridian HCM Holding Inc.)
2. NYSE:CLS (Celestica Inc.)
3. TSX:CLS (Celestica Inc.)

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