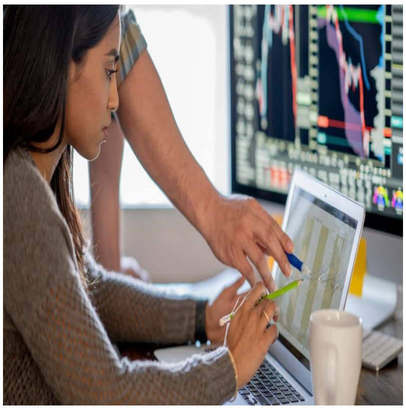

2 Fast-Growing Canadian Tech Stocks to Buy Right Now

Description

Fast-growing Canadian tech stocks have fallen drastically out of favour in recent weeks, thanks to inflation jitters that refuse to go away. Whether we're talking about former Fed chair and current U.S. Treasury Secretary Janet Yellen and her comments on inflation or the 4.2% surge in the CPI (Consumer Price Index), investors can't seem to stop thinking about inflation and its potential to bring forth interest rate hikes. Interest rates can only head higher from here.

I think that the recent sell-off in growth and tech stocks is overblown in some instances. Fast-growing Canadian tech stocks that don't expect to make a profit anytime soon are taking the hardest hit amid the recent pullback. And while we're probably not at the bottom of this sell-off yet, I think it's wise to start doing a bit of buying of some of the more beaten-down names, especially those that recently came off incredible earnings blowouts.

Fast-growing Canadian tech stocks look to be on sale!

Fast-growing tech stocks seem downright toxic these days. But I think long-term investors willing to hold for the next three to five years ought to think about scavenging the tech wreckage, as there may be incredible bargains to be had right now. But please, do be careful and don't bet the farm all at one time. Nibble your way into a full position over the coming months, and I think you'll average a pretty low cost basis.

In this piece, we'll have a closer look at two of my favourite fast-growing Canadian tech stocks in **Kinaxis** (TSX:KXS) and **Dye & Durham** (TSX:DND).

Kinaxis

Kinaxis is a supply chain management software developer that also has solutions for sales and operating planning. With the pandemic likely to end next year, Kinaxis could be in for some mild headwinds, as supply chains are brought back into order.

As of right now, though, supply chains across the world remain chaotic. There are numerous supply-demand imbalances due to this pandemic, and I don't think they'll be alleviated anytime soon. As such, I think the demand for scenario simulations and software that helps bring order back into supply chains will continue to be robust.

Kinaxis stock has taken a huge hit amid the crisis, with shares nosediving nearly 40%. Shares of the name trade at 13.8 times sales, which is pretty cheap for a fast-growing tech company that's capable of high-double-digit top-line growth.

Dye & Durham

Dye & Durham (TSX:DND) is a productivity-enhancing software company with a focus on legal and business professionals. The company has formed a pretty remarkable moat around its target market. As the firm continues to bolster its offerings with acquisitions, I think it will be tough for the competition to catch up to the little-known Canadian firm.

More recently, the company acquired cloud company Terrfirma in a deal worth $20 million. With revenues recently blasting off 300% in the third quarter, I think investors should punch their ticket into the name before its next leg up. The stock trades at over 30 times sales but is growing its top line at such a rate such that I wouldn't at all be surprised to see considerable sales multiple compression over the next year and beyond.

Dye and Durham is a pretty expensive stock. But is it as expensive as it could be, given its incredible growth rate? I'd argue that it's not. As such, I'd look to buy the name on any further weakness, which could be in the cards, as fast-growing Canadian tech stocks continue tumbling.

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1. Investing
2. Stocks for Beginners
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1. Editor's Choice

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