



2 Fast-Growing Canadian Tech Stocks on Sale Right Now

Description

2020 was an amazing year for high-growth tech stocks in Canada. The fast-growing tech stocks have since fallen out of favour in recent weeks amid increasing fears of inflation that do not seem like they will go away soon.

The former Fed chair and the current U.S. Treasury Secretary Janet Yellen is causing investors to worry about inflation with her comments regarding inflation and the surge in the Consumer Price Index (CPI). The 4.2% surge in the CPI, along with inflation, could lead to a rise in interest rates.

With interest rates at historically low levels, we could see major spikes ahead. The recent selloff in growth and tech stocks may be overdone in many instances. Stocks in the sector that do not expect to make profits soon are facing the worst of the recent pullback.

Discounted valuations for high-growth tech stocks

The tech sector pullback might make it seem like every high-growth stock is bad for your portfolio. However, long-term investors who are willing to hold onto their investments for several years or even decades might want to consider looking through the wreckage for value investments at [incredible bargains](#).

I will discuss two such stocks that should be on your radar if you seek assets that can provide you market-beating returns in the long run.

Dye & Durham

Dye & Durham ([TSX:DND](#)) provides cloud-based software solutions to its clients to help them improve productivity. The company's clients include legal and business professionals, along with government agencies. DND has carved out a niche for itself around its target market, and it continues to bolster its product offerings through strategic acquisition deals.

The company has made substantial acquisitions that can make it challenging for its competitors to catch up with the relatively lesser-known tech company. Its most recent acquisition of cloud company Terraforma in a \$20 million deal is one of the deals that are boosting DND's revenues. It is an excellent growth stock to consider adding to your portfolio for its remarkable potential.

Kinaxis

Kinaxis ([TSX:KXS](#)) is a supply chain management software developer that also offers sales and operations planning solutions to its clients. As the pandemic gradually subsides, Kinaxis may face some mild headwinds when supply chains normalize again.

As of now, the supply chains worldwide are still in disarray. There are multiple imbalances between supply and demand due to the pandemic, and these issues are not likely to go away anytime soon. The demand for scenario simulations and other software-based solutions to bring the chaotic supply chains back to order could be massive.

Kinaxis took a major hit due to the pandemic, but it has the potential to become a massive company due to the essential service it provides businesses in the current climate.

Foolish takeaway

Growth investors have been through several tough months. The market was full of record-setting performances among growth stocks last year, but 2021 has painted a different picture for [growth stocks](#) so far.

It is true that the valuations were going to catch up to these growth stocks, but that does not mean there are a lot of reasons to doubt the long-term business potential of many of the top tech stocks in Canada.

If you believe that the Canadian tech sector has substantial long-term potential, Dye & Durham and Kinaxis could be excellent picks for market-beating returns.

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2. TSX:KXS (Kinaxis Inc.)

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Date

2025/08/22

Date Created

2021/05/21

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