



3 Top Small-Cap Stocks to Buy Right Now

Description

Tech companies on their own provide the kind of [growth](#) potential that many investors on the higher end of the risk spectrum seek right now. However, finding great small-cap stocks with the potential to outperform isn't that easy. There are thousands of options for investors to choose from. Accordingly, this task can seem daunting.

However, I've got my eye on these three small-cap stocks. Let's dive into why they may be worth looking at right now.

Top small-cap stocks: Phunware

A company providing developers with tools to manage and monetize mobile apps, **Phunware's** ([NASDAQ:PHUN](#)) core business model is certainly intriguing. However, Phunware is also a company that's grown in interest among retail investors of late for a number of reasons.

The company's recent spike to more than \$24 last month signaled this. Phunware quickly became a meme stock among many investors due to the company's ties to former President Trump's new social media platform. That said, excitement on this front appears to have died down.

However, investors are now focused on Phunware's blockchain capabilities as a key reason to own the crypto stock. The company has previously launched a blockchain-based security token. And, more recently, Phunware has been making a run at the digital tokenization market.

For crypto investors, Phunware's approach as a company that's consumer-facing, and looking to advance the crypto space from the bottom up, is certainly intriguing. This is one company that's on my radar as a higher-risk, higher-reward option right now.

Good Gamer

A smaller-cap Canadian company in the esports space, **Good Gamer** (TSXV:GOOD) is an intriguing

company to consider. The growth we've seen in online gaming is real. And Good Gamer appears to have a business model that could be one investors should keep their eye on.

This company provides a platform that can convert any mobile game based on Unity to a skills-based, real-money game. Good Gamer reportedly offers a platform that is only 100% skills based, providing more realistic outcomes for users. All indications are that this company's prospects remain strong, particularly in the fast-growing mobile gaming space.

This summer, Good Gamer [raised \\$4 million](#) from a private placement, providing growth capital to this prospective digital gaming player. The company intends to use these funds to continue to grow its market share in the esports sector via user and game published acquisitions as well as building out the company's platform over the next year.

The esports and mobile gaming space are two growth areas I think growth investors need to keep an eye on. For those looking for a top-notch small-cap stock intersecting both these areas, Good Gamer is certainly a great option to consider.

Prophecy DeFi

Finally, we have **Prophecy DeFi** (CSE:PDFI). This small-cap company's focus, as its name suggests, is on the growing decentralized finance (DeFi) space. Decentralized finance refers to the suite of applications built on the blockchain, which seek to disrupt how traditional intermediaries, such as banks, control the banking system in a centralized fashion.

Sure, investors could simply buy various cryptocurrencies with DeFi functionality. However, Prophecy DeFi allows investors to go a step further and invest in the underlying infrastructure supporting this movement.

The company allows investors the opportunity to invest in some of the most innovative projects in the DeFi space. Among the more high-profile acquisitions made by Prophecy DeFi of late is that of the Layer2 Blockchain. Other portfolio businesses in the DeFi space will be targeted accordingly, using funds raised by equity markets.

In other words, Prophecy DeFi is looking to provide investors with a way of getting in on the ground floor with the development of some of the most game-changing technological advancements in the world of finance. As more financial services shift to the blockchain, investors in PDFI stock will be able to participate in this growth.

Bottom line

Like the other picks on this list, each of these companies carry inherently higher risk than the average blue-chip stock. However, investors also gain impressive market-beating upside potential from such picks. Having some allocation to a portfolio of higher-growth, small-cap stocks can help investors improve their risk to reward, for those bullish on where technology can take the economy from here.

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1. Investing

2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:PHUN (Phunware, Inc.)

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chrismacdonald

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