



## 3 Stocks to Consider as the Tech Dip Continues

### Description

The tech sector decline continues. The **S&P/TSX Capped IT Index** has fallen 15% already, and a decent number of usually expensive tech stocks have already become (or are already becoming) quite discounted. This is a relatively rare chance to add some powerful tech stocks to your portfolio.

### An IT consulting company

**CGI** ([TSX:GIB.A](#))([NYSE:GIB](#)) has an amazing track record when it comes to capital appreciation. The 10-year CAGR of 18.9% balances growth and sustainability quite well. The stock is unsarcastically fairly priced (with price-to-earnings multiple at 20.2) and almost underpriced compared to many other tech stocks. It's one of the largest IT and business consulting firms in the world.

The company offers a wide range of services and solutions and has an impressive clientele. In banking, it has over 500 clients around the globe, and the company caters to 15 out of the 20 largest banks in the world. The pattern is the same in other market segments — i.e., manufacturing, energy, and utilities, etc.

CGI is a powerful tech stock that has only fallen over 6.2% from its peak. If it dips down even more, the stock will become more attractively priced and valued.

### A vertical market software company

**Topicus** ([TSXV:TOI](#)) spun out of **Constellation Software**. It's primarily a European business and builds/acquires, and manages [vertical market software](#). It's headquartered in the Netherlands and caters to a niche market and a specific clientele. The company generates the bulk of its revenue (over 70%) from maintenance and other recurring segments of the business.

The stock started trading in the venture capital market earlier this year and peaked in October, growing 120% in less than a year. But the slump has already begun, and it has come down 23% from its 2021 peak. The slump might continue for a while, and a much better time to buy into Topicus would be the

end of this downhill spell.

## A logistics software company

Logistics software, solutions, and relevant products have always been an important niche market, and the e-commerce boom became the [primary catalyst](#) for driving this market up. **Descartes Systems Group** ([TSX:DSG](#))([NASDAQ:DSGX](#)) also specializes in logistic software, and the company has been on an amazing growth run for over a decade.

If you had bought into the company in 2008, you would now be sitting on over 2,600% growth. The stock is overvalued but not uncharacteristically so (for a tech stock), and it's sliding following the broader tech sector pattern. It has already fallen 13.5%, and if the tech dip continues, the discount might become significantly more extensive.

## Foolish takeaway

If the current trend continues, the sector will be full of several amazing [tech stocks](#) trading at a discounted price soon. Not every stock might recover at the same pace, and some may keep falling even when the sector starts recovering. Monitoring promising stocks like these three is a great way to make sure that you don't miss out on the opportunities the tech sector is likely to present.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:GIB (CGI Group Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:GIB.A (CGI)
5. TSXV:TOI (Topicus.Com Inc.)

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