



3 New Tech Stocks to Watch Out for in 2022

Description

2021 was an excellent year for new listings. With the market so enthusiastic, it's no surprise that there were so many initial public offerings (IPOs) this year. Here are some of the best tech stocks that debuted this year that could capture more mainstream attention in 2022.

Spin-off

Topicus.com ([TSXV:TOI](#)) was spun off from its parent company **Constellation Software** just 11 months ago. In that short period of time, it's already delivered an impressive return. Topicus stock is up 82.7% since its public listing.

Legendary investor Mark Leonard still occupies a seat on the company's board. That means the Constellation DNA is deeply ingrained in this spinoff. If the company can replicate Constellation's winning formula in Europe, it's likely to be one of the best stocks to follow next year.

In 2022, the company is likely to find many more acquisition targets. Higher interest rates should take a bite out of software valuations. Europe's software startups are already trading at lower valuations than their North American counterparts. Cheaper acquisitions should bolster Topicus's earning power even further.

Keep an eye on this underrated tech stock in the new year.

Cryptocurrency with a passive-income twist

I know what you're thinking — there's plenty of crypto funds on the market. What makes any of them special? Well, **Purpose Ether Yield ETF** (TSX:ETHY) offers a unique feature: passive income.

If you think the strategy is based on decentralized finance (DeFi) products, you're mistaken. Instead, the Purpose team uses traditional derivatives to generate passive income from its crypto holdings. The company writes covered call options that receive a premium from traders. This premium is distributed

to shareholders as recurring dividends.

The ETHY exchange-traded fund (ETF) went live just a few months ago. Since then, **Ethereum's** price has declined, but the ETF's dividend yield has cushioned that plunge. At the time of writing, ETHY offers a jaw-dropping 19.77% yield. That's slightly offset by the 1.1% management fee. The ETF is also trading at a slight discount to net asset value. That's what makes it one of the best crypto ETFs to buy at the moment.

Space tech stock

MDA ([TSX:MDA](#)) went public in April and has been crash-landing ever since. The stock is down 46%. In fact, it's now trading at the same valuation it was when a group of private investors purchased its assets in 2020. That's nearly two years of 0% appreciation.

That's a bleak picture. Why is it on this list then? Because the underlying business is doing just fine. In fact, the company expects revenue to surge 50-60% in 2022. In this line of work, with long-term government contracts, that forecast is believable.

Meanwhile, the stock is trading at a price-to-sales ratio of just 2.9. If the team can execute the growth plan successfully in 2022, the price could [potentially double](#). That's why this little-known tech stock deserves a spot on your list.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:ETHY.B (Purpose Ether Yield ETF)
2. TSX:MDA (MDA Ltd.)
3. TSXV:TOI (Topicus.Com Inc.)

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