



TFSA Investors: Is the Tech Crash Over?

Description

It's been a hard time for Tax-Free Savings Account (TFSA) investors already in 2022. Almost immediately after ringing in the New Year, tech stocks crashed to 52-week lows. The [tech](#) crash hurt some of the biggest tech stocks out there, and it seemed not a one was immune.

But after hitting those 52-week lows, there have been signs this week of a rebound, albeit a slight one. So it may be time to start thinking about entering a stake, or increasing your stake, in these tech stocks once more.

Shares of the **S&P/TSX Capped Information Tech Index** fell 24% during the tech crash, but have started to rebound this week among other tech stocks. The index is now up 6% from those lows, as of writing.

So let's look at some of the most popular tech stocks out there, and whether now is the time to buy.

Shopify stock

Let's start with one of the most popular tech stocks. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) saw shares drop to 52-week lows during the tech crash. After falling 46% in the last month, Shopify is now up 17% as of writing.

The drop came from more than just the tech crash, unfortunately for Shopify stock shareholders. The company had a few pieces of news that made investors worried. There was the backlash from developers who didn't like the new algorithm changes. Furthermore, news that Shopify would be ending some [fulfillment](#) centre contracts sent shares down further.

However, these moves are to create more cash flow for Shopify stock. The tech crash hurt it, true, but overall the ending of contracts feeds into Shopify Fulfillment centres. Less dependence means more cash long term. Analysts still mark the stock as a 'buy,' giving it a target price of about \$2,000. That's a potential upside of 73% as of writing.

Lightspeed stock

Next up, we have **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), another company not [immune](#) to the tech crash, even after it went through a crash of its own. Lightspeed saw shares drop to 52-week lows recently, down 39% in the last month. Since then, it's climbed back up by 18% as of writing.

Lightspeed stock went through a lot of drama over the last six months, and is still reeling from a short seller report last year. Add to that how the company believes supply-chain demands could hurt retailers and its own company, and you see why some investors have lost confidence.

Yet now, even though it's not a *different* story, there is definitely still hope for Lightspeed stock after the tech crash. In fact, as of writing it has risen 8% in a day. This comes from investors seeking growth once more, especially as Lightspeed gets acquisitions online and continues to see retailer growth. Even with analysts slashing target prices, Lightspeed remains at a target price of \$116. Analysts continue to reiterate it as a 'buy,' with now a potential upside of 197%!

Constellation stock

Finally, **Constellation Software** ([TSX:CSU](#)) offers the most security of these three stocks during the tech crash. Over and over, Constellation stock has proved that a downturn in its share price only meant it was a buying opportunity. And that's definitely the case now.

Constellation stock fell 12% in the last month, but never came close to its 52-week low. In fact, it has remained stable over the last year even as tech stocks were all over the place. This comes from the company's solid footing as a grower through strong investments and acquisitions.

Earnings are due out on February 10, and it's likely to send Constellation stock right back up again, especially now that the tech crash seems to be on the recovery. For Constellation? That leaves little time for investors to get in on this heavy hitter and add it to their TFSA today.

CATEGORY

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SHOP (Shopify Inc.)

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