



2 Undervalued Tech Stocks to Buy Right Now

Description

After an impressive performance last year, 2022 has been a somewhat underwhelming year for Canadian investors so far. The **S&P/TSX Composite Index** is just about flat year to date, after posting a 20% gain in the year prior.

U.S. stocks outperformed the Canadian market last year, but it's been a rough start to 2021. The **S&P 500** is down close to 10% year to date, while the tech-heavy **Nasdaq Composite** is nearing an incredible 15% loss in 2022.

The [tech sector](#) in both the Canadian and the U.S. markets has been sliding downwards for the past several months. As a result, there's no shortage of high-growth tech stocks trading at very [opportunistic discounts](#) right now.

If you've got some cash to spare, I'd strongly suggest adding at least one of these two tech stocks to your watch list.

Tech stock #1: Descartes Systems

Descartes Systems ([TSX:DSG](#))([NASDAQ:DSGX](#)) is in the business of software development. The company's cloud-based software is designed to enhance productivity and performance throughout its customer's entire supply chain management processes.

Supply chain management productivity software may seem like a niche market, but there's no denying that it's a growing one. The recent supply chain issues that companies across the globe have dealt with during the pandemic have only heightened the importance of Descartes Systems's software.

Shares of the tech stock are trading more than 20% below 52-week highs. Like many other tech stocks, Descartes Systems has witnessed its stock drop considerably since mid-November. But even with the recent selloff, Descartes Systems is up more than 200% over the past five years.

The company's long-standing track record of [market-beating growth](#) is one of the reasons why it trades

at a premium.

At today's stock price, Descartes Systems trades at a forward price-to-earnings ratio of 50. It's not cheap from a valuation perspective but it's nowhere near the price that many other [high-growth](#) tech stocks are trading right now.

Tech stock #2: Lightspeed Commerce

It's been a whirlwind year for **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) shareholders. The tech stock was at one point up 75% last year but managed to end 2021 at a loss of close to 50%. The selloff hasn't slowed in 2022, either, with shares already down more than 30% year to date.

Even amid the chaotic past six months, Lightspeed has put together a very respectable performance in its short tenure as a public company. The tech stock has more than doubled the returns of the Canadian market since joining the [TSX](#) in March 2019.

Investing in Lightspeed is not for the faint of heart. If you're thinking of starting a position in this growth stock, you should be prepared for a bumpy ride. I wouldn't bank on the high levels of volatility slowing anytime soon. That being said, as a current Lightspeed shareholder, I'm betting on many more years of market-beating gains for the stock.

Shares may be trading more than 70% below all-time highs, but by no means at all does that mean the business itself is in concerning shape. Lightspeed management has been doing an outstanding job expanding not only the company's product offering but its international presence, too.

If you can handle the volatility, growth investors would be wise to take a chance on this tech stock. I don't think it will be long until you're thanking yourself for picking up shares at this fire-sale price.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:LSPD (Lightspeed Commerce)

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