2 Canadian Stocks I'd Buy During the Tech Selloff

Description

The recent tech sector selloff has made investors worried. While several popular tech stocks yielded outstanding returns in 2020 and 2021, they're crashing in 2022, as investors remain worried about their high valuation multiples. Also, speculation about tightening monetary policy have intensified the selloff in tech stocks. However, it could be an opportunity for long-term investors to buy some of these amazing stocks at a big bargain. In this article, I'll highlight two such stocks that I find worth buying during the ongoing tech selloff.

BlackBerry stock

Since the global pandemic-related restrictions started affecting businesses in early 2020, most businesses with physical stores accelerated their shift to digital commerce. This shift helped them realize the benefits of building and maintaining their online presence. Now, these businesses are willing to spend more and more on cybersecurity tools to secure their data and operate safely online, which should lead to a significantly higher demand for cybersecurity solutions. This is exactly where the Waterloo-based tech firm **BlackBerry** (TSX:BB)(NYSE:BB) primarily focuses on. Its advanced artificial intelligence and machine learning-based cybersecurity solutions help organizations protect their data from online threats.

Apart from the expectations of sharp growth in its cybersecurity business, BlackBerry's increasing focus on developing advanced technological solutions for futuristic vehicles also looks promising. Many top auto companies across the world already use BlackBerry's QNX operating system in their vehicles. That's why I believe BB is well positioned to become one of the top suppliers of advanced technological solutions for electric and autonomous vehicles.

These positive factors could help the company grow its financials at an exponential rate and drive this tech stock higher. BB stock has lost nearly 30.5% of its value in 2022 so far, as the tech sector-wide selloff continues.

Dye & Durham stock

Dye & Durham (TSX:DND) could be another great stock to add to your portfolio amid the ongoing tech meltdown. Despite its solid sales growth in the last year, its stock hasn't seen any appreciation. In contrast, DND stock has seen 36.5% value erosion in 2022 so far after declining by 11% in 2021.

In its fiscal year 2021 (ended in June 2021), Dye & Durham's total revenue jumped to $209 million — nearly triple compared to $65.5 million In the previous fiscal year. Its sales growth remained strong in the first half of the fiscal year 2022. As a result, it reported massive revenue growth of 445% year over year during this period. To add optimism, its EBIDTA growth has also been impressive lately. In the December quarter, Dye & Durham's adjusted EBITDA jumped by 267% from a year ago.

To help it accelerate its growth further, Dye & Durham also focuses on quality acquisitions. For example, its recent acquisition of Telus Financial Solutions is likely to help it expand its real estate business in its home market.

Overall, the demand for its cloud-based software and technological solutions is surging as they help businesses improve their efficiency and increase productivity. This could be one of the reasons why Street analysts expect the company's total revenue to continue doubling in its fiscal year 2022. Given all these positive indications, you could expect this stock to rally after falling sharply during the recent tech sector selloff.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:BB (BlackBerry)
3. TSX:DND (Dye & Durham Limited)

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