



## 2 Canadian Stocks to Buy Before the Tech Rally Heats Up!

### Description

Over the last few months, plenty of high-quality Canadian growth stocks have sold off. But one industry that's seemingly been impacted far worse than any other is tech stocks. So it makes sense that, while they trade undervalued, Canadian tech stocks are some of the best to buy now.

When you find a high-quality tech stock that's capable of disrupting a sector or industry and has years of growth potential, it stands to be one of your best investments.

Tech stocks can typically grow rapidly because the marginal costs of their products or services drop significantly as they scale up their businesses.

This is why tech stocks are known to be some of the best [growth stocks](#) you can buy. So when they trade cheap, there's no doubt that these are some of the top Canadian stocks to hold for the long haul.

Recently, though, these stocks have started to gain momentum again. So before the tech rally really heats up and takes off, here are two of the best Canadian stocks to buy now.

### One of the top Canadian stocks to buy of all time

There are plenty of high-quality stocks to consider, but one you'll almost certainly be kicking yourself for not buying is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Shopify has proven for years what a high-quality business it can be. In addition, we've seen how fast the e-commerce industry can grow, and Shopify is one of the few leaders in the space.

Most people will look at an e-commerce stock like Shopify and think that now the pandemic is over, much of the tailwinds it was realizing are gone. And while that may be the case, the pandemic also helped make some permanent changes that will continue to help the e-commerce industry to grow.

For years one of the major problems with e-commerce was shipping times and consumers not wanting to wait for their products. Now, though, with so many changes and improvements to the logistics of e-commerce and overnight delivery over the last two years, even without lockdowns to force consumers

online, the industry is a lot more appealing.

Shopify has grown rapidly in the past, which can make this investment deceiving. In reality, while it still offers a tonne of growth potential and is one of the top Canadian stocks to buy now, the growth of e-commerce will continue to be a long-term transition.

Shopify has recognized this and most recently announced several new investments over the coming years. Some of this capital will go to creating a fulfilment network in North America, a crucial step. However, it will also spend capital on growing its research and development as well as its sales and marketing.

So with the stock trading ultra-cheap, more than 60% off its all-time high, it's one of the top Canadian stocks to buy before it starts to rally considerably.

## A top tech stock trading unbelievably cheap

In addition to Shopify, another high-potential Canadian tech stock to buy now is **AcuityAds Holdings** (TSX:AT)(NASDAQ:ATY). AcuityAds is an adtech stock that has struggled with its business operations lately.

The company still has a lot of long-term potential, especially thanks to a new proprietary self-serve advertising platform it launched in late 2020. However, for the time being, as sales of its new service have been slower than expected, the stock has been tanking. In addition, while all this has been going on, the rest of the tech sector has been falling out of favour, resulting in AcuityAds stock becoming ultra-cheap.

Right now, the stock has an [enterprise value](#) (EV) of just \$120 million. That means its forward EV to EBITDA ratio is just 5.6 times, an extremely cheap valuation, making AcuityAds one of the best Canadian stocks to buy now.

Just over a year ago, AcuityAds was trading at roughly 4.5 times where it trades today. And in that time, while it's reported earnings below expectations, it has continued to grow its business.

So with the stock trading at an unbelievably cheap valuation, it's easily one of the top Canadian tech stocks to buy now.

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2. Tech Stocks

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