



Tech Sector Rallies: Is it Too Late to Buy These 3 Discounted Stocks?

Description

After slumping over 48% since September 2021, the **TSX Capped IT Index** has finally changed course for the better. It has a long way to go yet, but the recovery in this sector tends to be relatively swift. And if you haven't taken advantage of the discounts yet, there is still time.

Even though the tech sector in Canada *has* started to recover, many tech stocks are taking their sweet time, making them ideal buys for recovery-fueled growth.

An analytics-focused tech company

Vancouver-based **Copperleaf Technologies** (TSX:CPLF) has been around since 2000, but it chose the wrong time to start trading on the TSX: Oct. 2021. The tech sector slump had already begun, and the stock went down with the rest of the ship and is currently trading at a 68% discount from its inception price.

This can be a powerful opportunity for pure recovery-fueled growth, since it could double your capital by surpassing its inception price.

When there is a sector-wide recovery, many businesses that are not as fundamentally strong as others also get to ride the upward wave, though they are unlikely to sustain the growth. This makes them good short-term holdings but not ideal long-term ones. However, Copperleaf's business orientation and client portfolio might allow it to prevail long term at that higher level.

A payment solution company

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is a Montreal-based company focused on payment solutions and technologies, which made a lot of waves when it started trading on the TSX. It's a relatively new stock but a mature business that already boasts a strong client portfolio. It's a payment partner for giants like **GM Motors**, Riot Games, and Wix.

But the company is a strong long-term buy, especially at the current 61.7% discount for another reason. It's ideally positioned to facilitate crypto-based payment solutions — something that might open up a lot of new business opportunities for the business going forward. It already has a powerful international presence.

If the stock starts recovering at the same pace it grew after its inception; you can expect much more capital appreciation (in the long term) than the simple doubling up of your capital (by re-reaching its peak), which is the most anticipated growth level for now.

A vertical market software company

Thanks to a market cap of over \$5.6 billion, **Topicus.com** ([TSXV:TOI](#)) stands out from the venture capital crowd. It's one of the companies in the **Constellation Software** portfolio and focuses on vertical market software solutions for European markets and businesses. It has already carved up a sizeable place in the region and has over 100,000 customers in 15 countries.

The Topicus.com growth potential, or at least the perception of its growth potential, stems (in part) from Constellation's own stellar growth track record. The stock also saw decent growth in its early days — i.e., about 120% in the nine months between its inception and its 2021 peak. Now, it's available at a 49% discount and has yet to start its recovery journey.

Foolish takeaway

There is a lot of variety when it comes to investment assets under the “tech” umbrella. You can invest in mature and well-rooted businesses like the three above or look for the loftier peaks promised by volatile assets like cryptocurrencies and [non-fungible tokens](#) (NFTs). The former makes more sense for long-term value investors, especially at the current discounted prices and with a recovery that could be just around the corner.

CATEGORY

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2. Tech Stocks

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