



3 Tech Stocks to Add to Your TFSA Amid the Recent Correction

Description

Amid the rising inflation, equity markets are under pressure globally. Rising food and energy prices have increased the U.S. Consumer Price Index by 8.6% in May, representing a 40-year high. So, investors are worried that the Federal Bank of the United States could become aggressive in its rate hikes, increasing borrowing costs. Amid these concerns, the S&P/TSX Composite Index is trading 12% lower than its 52-week high.

Meanwhile, the following three [tech stocks](#) have witnessed a substantial selling over the previous few months and are available at a considerable discount from their 52-week highs. Given their solid growth potential, I believe these three Canadian stocks to be an excellent addition to your Tax-Free Savings Account (TFSA).

WELL Health Technologies

WELL Health Technologies ([TSX:WELL](#)) is a digital healthcare company that empowers practitioners to deliver multi-channel healthcare services to patients. Amid the weakness in the tech space, the company is trading 62% lower compared to its 52-week highs. However, the correction has provided an excellent buying opportunity in WELL Health. It had recently reported a solid first-quarter performance, with its revenue growing by 395%. Its adjusted net profits came in at \$8.6 million compared to a net loss of \$2.4 million.

Given its recent acquisitions and expansion in the United States, the company is well positioned to increase its market share in the growing virtual healthcare services market. Additionally, the company has ramped up its M&A strategy by signing multiple LOIs (letters of intent). The company is working on optimizing its operating expenses and enhancing synergies, which could improve its cash flows. So, the company has solid growth potential.

However, amid the recent pullback, WELL Health's NTM price-to-earnings multiple has fallen to 15.4, making it an attractive buy.

Nuvei

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is a payment processing company that facilitates next-gen payments, including 550 alternative payment methods. It operates in over 200 markets. Amid the e-commerce growth, digital payments are becoming popular, expanding the addressable market for Nuvei. Meanwhile, the company's expansion into new markets, product launches, and growing customer base could support its financial growth in the coming quarters.

Nuvei also services regulated operators in the online gaming and sports betting market. Amid the rising legalization of sports betting, it is expanding its service in the United States and Canada. So, the company's growth prospects look healthy. Meanwhile, the company's management expects its top line to grow around 30% in the near term.

However, amid the recent correction, Nuvei has lost over 72% of its stock value compared to its 52-week high. Its NTM price-to-earning has also declined to 18.2. So, despite the near-term volatility, I believe Nuvei would be an excellent addition to your TFSA.

BlackBerry

My final pick is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), trading 61.5% lower than its 52-week high. The cybersecurity market is expanding amid digitization and growth in remote working and learning. So, the company is looking at expanding its product offering and strengthening its headcount to boost its market share.

Notably, the company has a substantial presence in the automotive space, with its QNX platform running in 195 million vehicles. The company could also benefit from the rising demand for safety-critical foundation solutions. Its IVY platform could be a substantial growth driver in the coming quarters. It has received several requests from OEMs to develop proofs-of-concept. So, BlackBerry's growth potential looks healthy.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:NVEI (Nuvei Corporation)
5. TSX:WELL (WELL Health Technologies Corp.)

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Date

2025/08/18

Date Created

2022/06/15

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