



Rebound Rockets: 2 TSX Tech Stocks to Buy Before They Soar

Description

Tech stocks on the **TSX** have mostly struggled over the last year. Some of the biggest names in the Canadian tech sector have stooped to substantially lower valuations than their all-time highs. After what seemed like an unending downward spiral for tech stocks, the industry is showing signs of life again.

As of this writing, the **S&P/TSX Capped Information Technology Index** is up by 17.81% from mid-June 2022. Make no mistake about it — [investing in technology stocks](#) is still a risky proposition. Most of the top tech stocks still trade for considerable discounts today. If everything goes well for the broader tech sector, the top tech stocks might not remain at current levels for too long.

Are you willing to assume risk and make a contrarian bet on beaten-down growth stocks? If so, these two TSX tech stocks might be worth adding to your investment portfolio.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is a \$60.27 billion market capitalization multinational e-commerce company. Headquartered in Ottawa, Shopify was once the darling tech stock on the TSX that broke records and soared to unimaginable heights in just a few years. However, its stellar growth did not last long.

As of this writing, Shopify stock trades for \$47.73 per share. It is down by almost 70% year to date and a massive 82.63% from its 52-week high. Despite its struggles highlighted in its performance on the stock market, the company has the potential to deliver substantial returns.

The company's monthly recurring revenue has increased by a CAGR of 35% in the last five years. Moving into a post-pandemic era might have taken some of the wind out of its sails, but it has the potential to pick up the pace once the economy stabilizes and consumer spending picks up.

Nuvei

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is a \$6.27 billion market capitalization global payments technology company headquartered in Montreal. The company has been riding on the success of the e-commerce industry by facilitating digital payments solutions through its omnichannel payments platform.

Businesses using its platform can accept online, mobile, in-store, and unattended payments via hundreds of alternative payment methods, presenting a significant advantage to its customers.

As of this writing, Nuvei stock trades for \$44.35 per share. It is down by 45.31% year to date and 75.36% from its 52-week high. The tech sector meltdown was one of the contributors to its fall from grace. Additionally, a short report published in 2021 catalyzed its decline.

The short report likely spooked many investors. However, many analysts believe that the short report was misleading and inaccurate. Nuvei stock is up by 10.54% from its July 26th level, and it has the potential to deliver multi-bagger returns in the coming years.

Foolish takeaway

A word of warning again: investing in tech stocks is still risky. The economic uncertainty and other macroeconomic factors that led to weakness in tech stocks still persist. It remains to be seen whether the tech industry will maintain positive momentum in the coming weeks. If you choose to invest, I would advise being cautious with how much you decide to allocate to tech stocks.

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1. Investing
2. Tech Stocks

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3. TSX:NVEI (Nuvei Corporation)
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