



## Got \$1,000? Buy These Up-and-Coming Stocks Before They Take Off

### Description

The **S&P/TSX Composite Index** has recently declined, approaching its 52-week low again. The Canadian benchmark index is down by 16.34% from its 52-week high. Stocks across the board are underperforming on the TSX. Value-seeking investors are busy scooping up shares of discounted, [high-quality stock](#) for bargains.

The tech sector has fallen out of favour with stock market investors due to the high levels of risk involved. The biggest names in the Canadian tech industry trade for steep discounts right now and continue to decline. However, there might be better opportunities for you to consider if you want to invest in companies that have yet to capitalize on their growth potential.

Today, I will discuss two up-and-coming tech stocks you can consider adding to your portfolio. The companies have high growth potential due to strong tailwinds for their businesses. If you are willing to assume the risk of [investing in tech stocks](#) and have some cash set aside, these two might be worth at least keeping on your radar.

## Magnet Forensics

**Magnet Forensics** ([TSX:MAGT](#)) is a \$271.33 million market capitalization Canadian company headquartered in Waterloo. It is a software and analytics company helping law enforcement and other government agencies investigate digital crimes. It offers a wide range of cybersecurity products that help investigate IP theft, track down cybercriminals, and probe into employee harassment cases and fraud.

A vital business that continues to grow its customer base, Magnet Forensics has not been spared by the tech sector meltdown. As of this writing, the stock trades for \$22.67 per share, down by almost 50% from its 52-week high.

Despite the short-term challenges that lie ahead, it is poised to become a stronger company. 4,000 law enforcement, military, government, and private sector organizations already use its products across over 100 countries.

The global cybersecurity market is slated to grow to US\$270 billion by 2026. It can be an excellent bet if you are bullish on the cybersecurity market's growth.

## Softchoice

**Softchoice** ([TSX:SFTC](#)) is another software company. Headquartered in Toronto, the \$1.18 billion market capitalization company primarily designs, produces, implements, and manages complex multi-vendor IT environments to help its customers grow. Its IT solutions help organizations become more innovative and agile, a necessity in today's rapidly evolving business landscape.

The North American IT solutions market is still largely fragmented. Softchoice offers solutions for three attractive IT subsectors: hybrid multi-cloud, collaboration & digital workplaces, and software asset management. The company predicts that 40% of enterprises will use its asset management solutions to reduce Software-as-a-Service costs with major vendors.

As of this writing, Softchoice stock trades for \$20.12 per share, down by 31.75% from its 52-week high. It is steeply discounted right now but can deliver stellar growth in the long run. Boasting prominent technology partners like Google, **IBM**, **Microsoft**, **Amazon Web Services**, and **Cisco**, it has the potential to deliver substantial wealth growth in the long run.

## Foolish takeaway

A word of warning: investing in tech stocks is still risky right now. The macroeconomic uncertainty plaguing the market might remain a problem for the coming weeks, leading to further downturns. However, publicly traded tech companies with strong business models and long-term growth potential might be excellent bets once normalcy starts returning to the stock market.

Magnet Forensics stock and Softchoice stock can be good additions to your self-directed portfolio for this purpose.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:MAGT (Magnet Forensics)
2. TSX:SFTC (Softchoice Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard

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