



3 Tech Stocks That Are Too Cheap to Ignore

Description

After consistently falling for months, [tech stocks](#) on the [Canadian stock market](#) witnessed a recovery in November, as cooler-than-expected U.S. inflation numbers boosted investors' confidence. While it's nearly impossible to predict when economic uncertainties will subside and lead to a sharp market recovery, it makes sense for long-term investors to consider adding some [fundamentally](#) strong tech stocks to their portfolio before it's too late.

In this article, I'll highlight three cheap Canadian tech stocks you can consider buying now to hold for the long term.

Dye & Durham stock

Dye & Durham ([TSX:DND](#)) is a Toronto-headquartered tech company with a [market cap](#) of \$924.5 million. It mainly focuses on providing cloud-based software to legal and business professionals and actively focuses on new acquisitions to expand its global presence. DND stock currently trades at \$13.85 after losing 69% of its value in 2022 so far.

The ongoing challenges in the real estate market have affected Dye & Durham's financial growth in recent quarters. Despite these challenges, the company [registered](#) a 7% YoY (year-over-year) increase in its September quarter revenue.

The demand for its well-diversified services portfolio is expected to increase in the long run with its consistently growing customer base of blue-chip companies. Given that, you may want to buy DND stock on the dip right now to expect solid returns on your investments in the long run.

Converge Technology stock

Converge Technology Solutions ([TSX:CTS](#)) could be another great Canadian tech stock to consider buying at a big bargain right now. It has a market cap of \$775.5 million, as its stock trades at \$3.67 per share with about 66% year-to-date losses.

CTS has been focusing on the expansion of its advisory business lately, including analytics and cybersecurity solutions. With this, Converge Technology has maintained an outstanding financial growth trend in recent quarters, despite macroeconomic challenges. In the September quarter, its total revenue rose 64% YoY, while its adjusted earnings jumped by 233% from a year ago to \$0.10 per share. Considering these positive developments, an over 65% drop in its share prices in 2022 makes it too cheap to ignore right now.

Shopify stock

I find the list of cheap Canadian tech stocks incomplete without adding the e-commerce giant **Shopify** ([TSX:SHOP](#)) to it. Despite witnessing a sharp recovery of about 27% in the last 30 sessions, SHOP stock still trades with massive 73% year-to-date losses at \$47.36 per share. At this market price, the company has a market cap of \$ 59.6 billion.

High inflationary pressures and easing coronavirus-related restrictions have led to a decline in Shopify's bottom line in recent quarters. In the September 2022 quarter, the tech firm reported an adjusted net loss of US\$0.02 per share against an adjusted net profit of US\$0.08 per share in the September 2021 quarter. Nonetheless, they were still significantly better than the Street analysts' expectation of a US\$0.07 per share loss. More importantly, Shopify continued to report strong double-digit sales growth in the last quarter as its revenue rose 22% YoY.

While high inflationary pressures, supply chain challenges, and other macroeconomic concerns might affect its business in the short term, these issues are unlikely to have an impact on the demand for its easy-to-use e-commerce solutions. Given that, you could expect a spectacular recovery in this tech stock in the coming years.

CATEGORY

1. Investing
2. Tech Stocks

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1. TSX:CTS (Converge Technology Solutions)
2. TSX:DND (Dye & Durham Limited)
3. TSX:SHOP (Shopify Inc.)

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Date

2025/08/26

Date Created

2022/11/22

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