



## Is Tech Finally Making a Comeback? 2 Stocks to Watch

### Description

The tech sector is finally showing some signs of recovery, but this news should be taken with a grain of salt, as we might be going through a recession in the coming year, and the current bullish phase might be just that: a phase. But if you believe that the tech sector is making a comeback, two stocks should be on your radar.

### A beaten-up tech stock

Few tech stocks are as beaten up as **Real Matters** ([TSX:REAL](#)). The stock is currently trading at a massive 87% discount from its last peak and has mostly gone downhill since then. This is a different pattern compared to other tech stocks, which may have experienced signs of life along the way and pushed upward for a while before going down again under the weight of a falling sector.

We can attribute such characteristic falling of this stock is because of its overlap to another sector that's in trouble right now — real estate. But that wouldn't be a fair assumption considering the fall's timeline. Still, it hasn't helped matters either and may contribute to slower stock recovery.

The bad news is that the stock *hasn't* shown the signs of recovery as most tech stocks have, which may indicate that the investors are still not confident or are worried about intrinsic or fundamental weaknesses in the business. But the good news is that if a sector-wide recovery *does* push the stock up, you may see exceptional growth, thanks to the massive slump.

It might happen once real estate stocks start recovering or once the tech [bear market](#) is truly over.

### A promising tech company

While it's not one of the [large-cap stocks](#) per se, **Topicus** ([TSXV:TOI](#)) is undoubtedly a big shot in the venture capital market, where there is an abundance of small-cap and micro-cap stocks and few mid-caps. But that disproportionate difference from its venture capital peers is not what makes it a promising investment; it's the stock's underlying strengths and its association with **Constellation**.

As one of the six companies in the portfolio of Constellation (even though it was spun out of the fold), Topicus may be considered similarly promising. But the problem is that we haven't seen the stock's potential yet, as it joined the Canadian market at a challenging time: post-COVID. It rose beautifully when the tech was rising, and the fall was just as epic; it dropped 48% from the peak.

We can assume that once the tech sector is out of the harsher waters and goes truly bullish in a healthy market, Topicus, which is a mature tech company operating mainly in stable European markets, will emerge as a good holding.

## Foolish takeaway

The tech sector slump has been harsher than most sectors, but the tide might be turning. Once the market gets through the challenging 2023 quarters and the economy starts recovering organically, we may see companies like Topicus and Real Matters experience robust growth proportional to or even better than their recent falls.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:REAL (Real Matters Inc.)
2. TSXV:TOI (Topicus.Com Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

### PP NOTIFY USER

1. adamothonman
2. kduncombe

**Category**

1. Investing
2. Tech Stocks

**Date**

2025/08/12

**Date Created**

2022/12/13

**Author**

adamothonman

default watermark

default watermark