3 Tech Companies That Could Return 100% in 2023

Description

The layoffs in the tech sector have continued into 2023 as well. **Microsoft** announced 10,000 job cuts, and **Lightspeed** plans to lay off about 10% of its workforce. But the trend is not reflected in the tech stocks, especially the ones trading on the TSX, as they are moving up at a rapid pace.

In fact, at least three tech stocks are well positioned to return 100% to their investors if they manage to ride the recovery momentum long enough.

A legal and financial solutions company

Dye & Durham (TSX:DND) joined the TSX in July 2020 — a relatively good time because the tech sector was going up rapidly, and DND got to ride the momentum. It pushed the stock up over 250%, staying afloat for quite a while before coming down. Currently, it is trading at a 48.8% discount from its value 12 months ago. However, the discount tag is rapidly shrinking, because of the stock's upward momentum.

It started mid-December, and since then, the stock has risen 65% already. It's currently trading at just under $20 per share, and it only needs to hit $40 to double your money, which is quite low compared to its all-time high price point of $52.

The company offers mission-critical software to finance, legal, and business clients. It has developed an impressive portfolio of clients, including major banks and top law firms.

A crypto company

Crypto was one of the most beaten-down tech segments up until the first week of 2023, but then **Bitcoin** suddenly jumped upwards. It gave a boost to crypto stocks like **Galaxy Digital Holdings** (TSX:GLXY). The stock was already going up, possibly under the collective influence of a recovering tech sector and other cryptos, especially **Ethereum**, that started going up ahead of Bitcoin.

Galaxy Digital is already up 26% in 2023. But we can't say for sure how long the current bull run will last. It may keep going up with the rest of the tech sector, or it may taper off soon. However, since the stock got wrecked in the correction phase, it's trading at around $5 per share and will only need to hit double digits to double your capital. This is not a tall order, considering the stock hit $40 in 2021.

An e-commerce stock

E-commerce stocks are another segment of the tech sector that experienced a severe decline. **Shopify** (TSX:SHOP), the company that dethroned **Royal Bank of Canada** for the top spot on the TSX, is still trading at a 75% discount from its peak value in 2021. But the recovery is underway. Despite many bumps on the road, the stock has been going up since Oct. 2022 and has risen by about 47%.

We have yet to see how long this trend will continue, but at this pace, even if it continues a little over the middle of 2023, the price appreciation might be enough to double the investment capital. The revenues look promising, and if the company continues to gather its financial strength and the sector keeps going up, we may see the growth reach or exceed 100% in 2023.

Foolish takeaway

The tech sector bear market was brutal, and with the fears of a recession looming, it's difficult to predict how long the current bullish phase lasts. But if it lasts just long enough, achieving 100% returns is not too ambitious a goal with the right tech stocks.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DND (Dye & Durham Limited)
2. TSX:GLXY (Galaxy Digital)
3. TSX:SHOP (Shopify Inc.)

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