



Market Crash: Buy the Biggest Winner Now

Description

It took more than a decade, but this stock market crash was seen a mile away. For over a year, analysts have been warning investors that the end to these high times was coming, and though many hoped it wouldn't come, no one was really surprised when it did.

Since then, articles (including my own) have poured in suggesting stocks that investors should pick up to make a quick (or, better yet, long-term) buck. Yet while it's clear why some stocks have fallen, others are likely to be the first to rebound.

My market crash pick

If you're looking for a solid [buying opportunity](#), then look no further than **Lightspeed POS** ([TSX:LSPD](#)). Since this stock's initial public offering (IPO), analysts have been touting the company as the next big thing in the world of point-of-sale systems. The stock was in the process of climbing back to its all-time high near \$50 per share when the market crash hit, falling to about \$10 per share from peak to trough. That's a heavy 80% drop — a price not seen even at the company's IPO.

But investors have a right to be excited by this share price. It's clear why Lightspeed fell, as the company mainly focuses on the retail and restaurant industries for its POS systems. This industry has been severely struck by the COVID-19 pandemic, as restaurants and retailers have been forced to shut their doors to clients. This leaves very little room for Lightspeed to expect new clients to pay up.

Yet when the dust settles, these companies will come roaring back, and so too should Lightspeed. While the short term should keep the stock price fairly low, it's the long term that investors should be looking into.

Bright future

The next two quarters will be tough for Lightspeed. Until [COVID-19](#) is under control and restaurants and retailers come back online, Lightspeed will have a tough time producing strong earnings. In fact,

the stock could even drop further if the market doesn't rebound.

But if you're a long-term investor, even just two years from now, you could see your Lightspeed stock soar into the stratosphere. The company was in growth mode before the market crash and is likely to get right back on that horse. In fact, management is so confident in its future that it recently bought 7,717,650 subordinate voting shares back in February for \$37.30 each.

If you look at the company's financials, Lightspeed recently increased its sales by 61% year over year. This is likely to continue, as the company continues to expand into the small- and medium-business markets with its top-of-the-line system and could grow further if it expands into large businesses.

Foolish takeaway

Even if you're more pessimistic, there's nothing stopping this company from reaching that \$50-per-share price that it was headed towards before the market crash. That alone is an increase of almost 200% as of writing. But further down the line, this stock could be the next big thing, with share prices in the hundreds.

Meanwhile, this stock remains unfairly battered by today's market, and investors should definitely remember that when choosing their next stock purchase.

CATEGORY

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2. Investing
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1. Editor's Choice

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Date

2025/08/23

Date Created

2020/04/09

Author

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