



Investing After COVID: This Tech Stock Has 100% Upside!

Description

As the COVID-19 pandemic rages on, investors with all types of strategies, preferences, and inclinations for various sectors are seeing their portfolios get decimated. A more significant reason for the decline in share prices is not that the economy is slowing down. Rather, it is the impact of fearful investors selling off their shares.

Has the market bottomed out? Investors are not entirely sure about that. There are those who believe that social distancing has been effective in curbing the spread of COVID-19. This means that we witnessed the bottom, and the current rally might see the stock market on the path to recovery.

As we wait and watch for statistical updates, a decrease in the rate of new cases can spark more optimism among investors. Even if it does see a few obstacles on the way, an improvement in terms of the health crisis can see stocks gain.

In a time where there is hope for things to improve, I am going to discuss **Lightspeed POS** ([TSX:LSPD](#)). It is a growth stock with the potential to double your investment. Let's take a better look at a potential tech sector superstar and whether you should consider it right now.

Beaten-down tech stock

Before the pandemic struck, Lightspeed poised itself to become one of Canada's darling tech stocks. We all know [Shopify](#) and how it continues to climb to greater heights. Lightspeed, however, did not continue its double-digit growth. It carved out a lucrative niche for itself to become a tech leader. You could almost consider it the Shopify version of the brick-and-mortar world.

Lightspeed averaged 36% in top-line growth for the past three years in a new industry niche it created. Its expansion was phenomenal due to its growing customer base among small and medium businesses (SMBs) like stores and retail stores. Between January 23, 2020, and March 18, 2020, LSPD share prices dropped by more than 73%.

Unlike Shopify, LSPD's client base suffered significantly due to the economic shutdown. Its clients

suffered due to the pandemic as restaurants, hotels, and many brick-and-mortar SMBs had to shut down operations. Most of LSPD's clientele are at risk of permanent damage the longer the pandemic continues.

Recovery at the speed of light?

With that being said, all hope is not lost for Lightspeed POS. If the economy opens sooner rather than later, most of the small- and medium-level enterprises might make a recovery on time. The better the chances are for SMBs, the speedier Lightspeed's recovery can be. In the coming months, Lightspeed could be among the very top growth stocks if the markets re-open.

We are already looking at significant signs of life in the stock. Since March 18, 2020, the stock is already up by over 121% as I write this. Trading for \$26.56 per share, LSPD is still down by over 40% from its January 2020 high. There is potential for a very sharp upside correction on the cards.

As we near the possibility of markets re-opening, Lightspeed can be an ideal candidate to double your investment in a matter of months. The stock is not out of the woods by a long shot right now. On the off chance that we see a turn for the worse with COVID-19, LSPD can continue to crumble. Short-term prospects can either be substantially profitable for investors, but it entails significant risk.

Foolish takeaway

As an investor, you must remember that with any asset that has a massive potential upside, there is an equal degree of risk to your capital. I think Lightspeed POS can double your investment. It has an almost Shopify-like history, and it has plenty of potential customers to cater to once the markets recover.

If you have ample liquidity, are not nearing retirement in the coming months, and you have the patience to hold on for a few years, Lightspeed POS could make a [valuable long-term addition](#) to your investment portfolio.

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Date

2025/07/06

Date Created

2020/05/11

Author

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