



2 Momentum Stocks That Soared Over 100% in the Last 4 Months

Description

The V-shaped recovery in the stock market is nothing short of [unprecedented](#). There's no question that the coronavirus crash was one of the best buying opportunities in recent memory. The U.S. Fed stepped in amid the carnage, and if you [didn't panic](#), stayed the course (or bought on the way down and up), you made some pretty quick profits.

This piece will have a look at two **TSX** momentum stocks that more than doubled, surging over 100% over the last four months amid the relief rally. Whether they're done yet is anybody's guess. But if you're in the belief that the economy is due for a recovery that could mirror the stock market, it can't hurt to get at least a bit of skin in the game in the following white-hot momentum stocks today, as long as you're willing to buy more shares in the event of a correction.

Without further ado, consider **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Lightspeed POS** ([TSX:LSPD](#)), which are currently sitting up 189%, 171%, respectively, from their March bottoms. This piece will take a closer look at each name to determine which is the best momentum stock for your portfolio at this market crossroads.

Shopify

Shopify is the e-commerce kingpin that needs no introduction. The momentum stock has continued to defy the laws of gravity, even amid the coronavirus crisis. The company is firing on all cylinders and is riding high on pandemic tailwinds, as small businesses rush to gain a digital presence to offset weakness faced at brick-and-mortar locations.

After Shopify's latest pop, the stock is beyond expensive, trading at 66 times sales at the time of writing. As one of the most expensive stocks on the planet, you're probably going to face amplified downside come the next tech-driven correction or rotation out of tech and into value.

That said, Shopify stock has never been anything short of absurdly expensive, and if you avoided the momentum stock because of its pie-in-the-sky multiple, you missed out on a ridiculous amount of upside.

While Shopify is capable of continuing to raise the bar come earnings, I wouldn't recommend initiating a full position at these heights. I'd nibble and get ready to do some real buying after a meaningful pullback that could bring shares back below the \$1,000 mark as soon as fall.

Lightspeed POS

Lightspeed POS has been skyrocketing in the second quarter, but unlike Shopify, Lightspeed stock is still off considerably from its pre-pandemic all-time high just shy of \$50. Shares are down around 33% at the time of writing and are a compelling buy for those looking for a digital commerce exposure at a lower price of admission.

In many ways, Lightspeed's story rhymes with Shopify. But as a commerce-enabler that's exposed to some of the more vulnerable clients out there, a bear-case scenario with this pandemic could stand to pressure the momentum stock, making a breakout to all-time highs a daunting task unless we get more good news relating to COVID-19's containment or the advent of an effective coronavirus vaccine.

In any case, Lightspeed stock is not cheap by any stretch of the imagination, even given the risks relating to COVID-19. LSPD shares trade at 17.6 times sales and is not immune to a vicious sell-off should a broader tech pullback be in the cards.

CATEGORY

1. Coronavirus
2. Investing
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TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:SHOP (Shopify Inc.)

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Date

2025/08/26

Date Created

2020/07/15

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