



Tech IPO: Nuvei Stock Rockets on 1st Day of Trading

Description

Canadian payment-processing firm **Nuvei** ([TSX:NVEI](#)) just set a new record. Nuvei's stock hit the TSX running Thursday, becoming the biggest tech stock IPO in the stock market's history. Opening at \$45.25, Nuvei's IPO exemplified one of the hottest trends of the year: digitalization. Valued at \$5.7 billion, Montreal's Nuvei is the biggest-ever tech initial public offering to launch on the TSX.

The hottest tech stock IPO on the TSX

The e-commerce and payments trends have been fueled by the pandemic, which has seen "socially distanced" stocks catch fire. And that trend is still very much alive and kicking. Demand was high as soon as Nuvei announced it would go public. This allowed it to raise its target price fairly significantly. Nuvei proceeded to soar more than 50% within the first hour of trading Thursday.

After hours, Nuvei was sitting at a 62.8% one-day gain. Friday saw some continuation of the bullishness, though at a far lower rate of climb. Nuvei shares had gained a further 1.66%. That brought its share price up to \$45.80.

Nuvei has a simple mission statement. As per CEO and founder, Philip Fayer in an accompanying [press release](#): "Nuvei was built with the goal of connecting business owners with their customers, no matter where or how they do business, helping merchants leverage technology to make payment transactions frictionless."

Any business that can make e-commerce a smoother experience is going to be a big hit so long as the pandemic continues to ravage the economy. Nuvei is well placed for this trend, with its business operations pertaining to merchant and payment services. Transaction facilitation is likely to continue as a [growth trend](#) well into 2021, with more upside for investors likely to be forthcoming in this hot industry.

Is the biggest tech debut in TSX history it a buy, though?

Nuvei is thoroughly diversified, which adds to a buy thesis. In terms of geography, Nuvei spans North

America, Europe, Asia Pacific, and Latin America. It also supports local and alternative payment methods, covering almost 150 currencies. This isn't a run-of-the-mill tech offering, in other words. With Novacap and Caisse de dépôt et placement du Québec (CDPQ) behind it, Nuvei also has backers in high places.

Among other areas, Nuvei serves the retail, travel, and gaming industries, providing electronic payment solutions. This makes the name strongly diversified. As such, this name is a much lower-risk play than some other niche tech stocks. While valuation is at the high end currently, investors may want to keep an eye on Nuvei's momentum and gauge entry points.

Nuvei's stock IPO follows in the footsteps of **Lightspeed**, **Dye & Durham**, and **Docebo** and joins a tech sector that has rocketed 33% this year. Digital commerce has seen a huge rise in interest during the public health crisis. This is perhaps best represented by what is now Canada's most valuable business, **Shopify**. Time will tell whether Nuvei lives up to the hype. But so far, it has all the hallmarks of a quality play.

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Date

2025/07/21

Date Created

2020/09/18

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