



Buy Alert: This Canadian IPO Stock Is on Fire!

Description

When companies begin to trade publicly for the first time, it's called an initial public offering (IPO). IPO stocks always garner a lot of interest because they can offer incredible opportunities.

In recent years especially, these stocks have been great investments for the most part. The IPOs that usually garner the most interest are those of tech companies. Tech companies can offer the most growth potential, so understandably, investors are always keen to follow these stocks.

This year, in particular, we have seen many IPO stocks perform extremely well, thanks in part to a lot of investor interest. Last week, specifically, many investors were watching some of the newest IPO's in stocks like **Airbnb** and **DoorDash**.

However, one Canadian stock that had its IPO only a few months ago may offer the most potential of all.

Why IPO stocks offer so much potential

IPOs are excellent opportunities. They give investors the first chance to buy a company. Success is not guaranteed with an IPO, though. There are still several risks when buying a stock for the first time.

These businesses will do the very best with the investment bankers taking them public to put a fair initial value on the shares being traded. However, there is no guarantee that the market will value the stock at that price. Sometimes when stocks make their debut on the market, the shares can immediately sell-off.

That's the risk you take when buying IPOs with no track record of past public trading. This is why it's important to do your research ahead of time.

Just because a stock is trading publicly for the first time doesn't mean the same research shouldn't be applied. This can save investors from making major mistakes when buying IPO stocks for the first time.

However, one [Canadian stock](#) you don't have to worry about is **Nuvei Corp** ([TSX:NVEI](#)).

Nuvei: The newest Canadian IPO stock

Nuvei is the latest Canadian IPO and one that's been highly successful for shareholders. [Nuvei](#) stock went public in mid-September and has already rallied an incredibly 42% in the three months that have followed.

Although that's an extraordinary gain in such a short period of time, unlike some other IPO stocks this year, Nuvei still has a lot more potential. Not to mention the long-term growth potential of its business is particularly attractive.

Nuvei is a payment processing tech stock, an industry that's been booming as of late, especially with the growth in e-commerce. In the third quarter, its volume increased by 62% year-over-year to \$11.5 billion. That helped its third-quarter revenue grow 32% year-over-year to \$93.6 million.

The impressive growth is just the start, though. Nuvei sees opportunities with several rapidly growing industries such as online gaming and gambling, e-commerce, and travel.

With market cap of just \$8.5 billion, there is significant upside potential for long-term investors, making it one of the most attractive recent-IPO stocks on the market today.

Bottom line

IPO stocks offer some major potential. However, these stocks also tend to trade with a lot of volatility. One way to avoid short-term volatility is to commit to the stock for the long run.

This way, it doesn't matter how the stock trades over the next few months or a few years. All that matters is whether Nuvei can grow to its full potential. So if you believe in the stock today, then for long-term investors, it's a no-brainer buy.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:NVEI (Nuvei Corporation)

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