



Loonie Cracks US\$0.80 Barrier: 2 Stocks You Could Consider

Description

The Canadian dollar broke above US\$0.80, hitting its highest level since February 2018 amid speculation that the global reflation trade will continue to lift commodity prices and drive currencies tied to the commodities complex higher. The Canadian loonie has since fallen back to earth.

Rising bond yields have triggered a broad sell-off on Wall Street that erased the market's gains for the week and handed the NASDAQ composite its most substantial loss in almost four months.

Impact of a stronger Canadian dollar

The sudden strength displayed by the Canadian dollar against its U.S. counterpart could be a cause for concern. **Bank of Canada's** Governor Tiff Macklem said that the strengthened Canadian dollar could be a potential drag on recovery in the export economy for the country. A further appreciation in the dollar could become more of a headwind and present downward risks.

A rout in technology companies delivered a substantial decline for the **TSX**. The tech sector saw huge gains last year, as more people worked from home due to [COVID-19 lockdowns](#). However, the rollout of vaccines and prospects for a return to a normal work environment could be causing the decline in IT companies.

High-growth stocks trading on a discount

Despite the sudden impact, investors interested in gaining exposure to high-growth tech companies could have an opportunity to buy up shares for a bargain.

At writing, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is trading for \$1,455.99 per share — down 21.61% from its valuation on February 10, 2021. **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is down 16.81% in the same period.

Despite the recent slump, Shopify is still up 117% year over year. The pandemic acted as tailwind for e-

commerce companies like Shopify, as people were forced to shop online. The company's management has claimed that the top-line growth rates are going to decelerate, as normalcy returns and economies reopen.

While Shopify might not be able to repeat its staggering historical returns, it could continue generating market-beating returns in the coming decade.

Lightspeed reported sales of US\$57.6 million in its fiscal third quarter. Its sales were up 79% year over year, and its revenue was significantly higher than its previous revenue guidance between US\$44 million and US\$47 million.

The company operates in a highly fragmented market and is aiming to build a robust payments ecosystem that would provide massive help to small- and medium-sized businesses. Lightspeed has forecast revenue between US\$68 million and US\$70 million for the fourth fiscal quarter. It also estimates EBITDA loss between US\$12 million and US\$14 million in the quarter.

Foolish takeaway

The significant pullback in the tech sector due to current market conditions might worry some investors. However, buying these amazing tech stocks amid the decline could be an excellent investment decision. Lightspeed POS and Shopify both have [immense long-term potential](#) to provide you with extraordinary returns. It might be a good time to consider investing in the tech giants at a bargain.

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

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