



A High-Growth Canadian Stock I'd Love to Buy in the Next Market Selloff

Description

We've gone without a market selloff in [a ridiculously long time](#). Not only has the stock market gone without a 10% pullback (that's the formal definition of a correction), but we haven't even got so much as a 5% decline in over 200 sessions of trade. Many skeptics have boldly called for a vicious market selloff to hit by year-end. And while September is arguably one of the scarier months for investors, I'd argue that it's unwise to time a correction, regardless of how many people are calling for one. If investors really anticipated a correction in September, it would have already happened.

Following the Jackson Hole symposium, that taper tantrum probably isn't going to be happening, as many expected. Data-driven rate hikes, I believe, opens a runway for a potentially lower-for-longer type of environment that's incredibly bullish for equities. Indeed, investors still have a friend in the Fed. And Chairman Jerome Powell, who marked the bottom in March 2020, appears to have learned from the untimely selloff of late 2018.

Investors still have a friend in the Fed

Chairman Powell has made it clear: employment comes first. And inflation is likely more transitory in nature. Despite a large number of skeptics, I think you have to give the man the benefit of the doubt. He's been right on the money so far. And he could go down in the history books as one of the best Fed chairs in recent memory.

Despite the thumbs up from Powell and most of the Fed, I don't think investors should assume that they'll be bailed out again should the next exogenous event strike. Moreover, an exogenous event doesn't need to happen for the markets to have a bit of froth cut off the top. As such, investors should continue avoiding the temptation to time the markets but should also have a backup plan in case a market selloff strikes from out of nowhere.

The Fed would probably be okay if valuations cooled off. So, don't assume a 5-10% selloff is no longer possible just because we've gone without one for so long. Similarly, don't assume markets can't continue their run. In essence, wise investors should play both sides of the coin.

Keep investing in stocks today, especially in areas of the market where you see [value](#). But do keep a watchlist of wonderful businesses whose shares are frothy, but you'd love to buy should they come back down to Earth.

Lightspeed stock: A stock I'd love to buy in the next market selloff

Consider a red-hot tech stock like **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), a name that I'd personally love to own should it pull back a bit come the next broader market selloff. While a selloff isn't guaranteed to happen anytime soon, I think that patient investors will be rewarded when volatility returns and it becomes time to pounce.

I'd pounded the table on Lightspeed stock last year. If you'd bought on my advice, you'd have a multi-bagger in the bag. The valuation has really swelled, but a majority of analysts remain bullish on the name, even at these unprecedented heights!

Recently, Tien Tsin Huang of **JP Morgan** became the first analyst to downgrade the commerce enabler to a "sell" rating. Whether or not Lightspeed flops from these new highs remains to be seen. Regardless, I would get ready to load up on shares if ever a broader market selloff were to drag the name lower.

I'm a huge fan of CEO Dax DaSilva. He's an exceptional steward. If investors get a shot to buy closer to the \$100 levels, I wouldn't hesitate to pounce. Lightspeed has a lot going for it, and DaSilva is likely to keep impressing in spite of any waning market sentiment.

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2. Tech Stocks

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Author

joefrenette

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