



TSX Recap: What Happened in the Market on Wednesday?

Description

Canadian stocks started off all fired up in an attempt to recover [from Tuesday's losses](#). However, the momentum was lost mid-way through Wednesday's trading session. The **S&P/TSX Composite Index** closed 0.08% lower on Wednesday after shedding 16 points to end the day at the 20,158.14 level.

More companies (988) advanced, 823 stocks declined, while 257 tickers closed unchanged for the day.

Investors were more jittery on small-cap stocks on Wednesday. The **S&P/TSX Venture Composite** lost 1.3% to settle at the 856.27 level on Wednesday. The TSX Venture Exchange is home to small- and micro-cap stocks undergoing an incubation process. Given their generally weak cash flows and high costs of capital, these companies get disadvantaged as interest rates rise.

TSX energy stocks gained 1%. Despite a slight 0.6% weakness in the Western Texas Intermediate (WTI) crude oil index to US\$74.83 per barrel and a 7.4% decline in North American natural gas prices on Wednesday, investors remain bullish on energy sector returns. Higher oil and natural gas prices in 2021 promise substantial windfalls for energy stock investors.

Industrials, telecoms, utilities, and financials rose for the day, too. However, the persistent declines in information technology (down 1.8%), healthcare (down 1.6%), and base metals (down 0.3%) were powerful enough to pull the whole market into the red.

Broader economic indicators

Statistics Canada released four economic data points on Wednesday. The country's Industrial Product Price Index (IPPI), which measures the change in the prices of locally produced goods sold by manufacturers declined by 0.3% month on month in August.

The month-on-month Raw Materials Price Index (RMPI), which measures changes in the price of raw materials purchased by manufacturers, came in at a negative 2.4% for August. Perhaps consumer price inflation pressures could be receding in Canada to reduce the Bank of Canada's urgent need to rein in general inflation.

Lightspeed Commerce stock falls 11.7%

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) stock price declined by 11.74% on Wednesday. LSPD stock has been on a tear after rising by 60% between July 16 and September 21 this year. A [short-seller](#) has put a damper on one of Canada's fastest growth stocks of the decade.

A United States-based short-seller and investment manager Spruce Point Capital Management released a bearish report on the Canadian omnichannel commerce platform provider on Wednesday. Spruce Point claimed that Lightspeed grossly inflated its Total Addressable Market (TAM), customer counts, and Gross Transaction Volumes (GTV). The short-seller's report alleges the company is covering up increasing competitive pressures and double-digit organic business declines through acquisitions.

The thing is, TAM, customer counts, and GTV are key performance metrics in LSPD's industry. The short-seller's allegations border on criminal fraud allegations. And a flurry of lawsuits could follow.

In a short response released after markets closed, Lightspeed reiterated that it has consistently delivered revenue growth since going public in 2019. Management urged investors to consult credible information sources, including the company's filings with securities regulators, before making any investment decisions.

Let's see who the market believes, as investors assess Lightspeed's response on Thursday.

Happy investing.

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2. TSX:LSPD (Lightspeed Commerce)

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