



## Bears Are Slamming Lightspeed (TSX:LSPD) Stock — Like They Once Slammed Tesla Stock

### Description

The shares of **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) lost 19% of their value last week. LSPD stock extended these losses further today. It's trading at \$112.68 per share on the **TSX** as of writing — down by another 9.3% for the day. Let's find out what's going on.

### Bears slam Lightspeed stock

Last week's massive selloff in [Lightspeed stock](#) came after a New York-based short-seller alleged that the Canadian tech company's management has been inflating key business metrics for years. While the company's management ruled out these allegations and [cautioned](#) "investors to not make decisions based on this report." LSPD urged investors to pay attention to its filings with the U.S. and Canadian regulatory authorities instead. Despite the company's efforts to calm the noise, the short report has certainly shaken investors' confidence in Lightspeed stock — at least temporarily.

Yesterday, a law firm — that seemingly takes a lot of interest in bears' allegations on various companies — started investigating these claims. Its press release [said](#) that the firm is doing so on Lightspeed investors' behalf.

### Lightspeed and Tesla bears

In terms of their businesses, Lightspeed and **Tesla** ([NASDAQ:TSLA](#)) are totally different and can't be compared. However, Lightspeed's recent bear-driven stock selloff reminds me of the times when short-sellers used to slam Tesla stock. Just a few years ago, bears were always on a hunt to find fault in most of the data Elon Musk-led car company would release. While Musk's big fan following helped Tesla regain investors' confidence rather quickly, bears' criticism still triggered a massive selloff in TSLA stock on many occasions.

Now, Lightspeed is being targeted by bears in a similar fashion. Spruce Point's latest report suggests

that Lightspeed stock is overvalued, and it has nearly 60-80% downside potential. While I don't want to defend Lightspeed in any way, short-sellers don't seem to miss an opportunity to make money by slamming any fast-growing company.

## Lightspeed's massive growth

In the last couple of years, Lightspeed has emerged as one of the fastest-growing Canadian tech companies. While the company is yet to achieve sustainable profitability, the ongoing trend in its sales, gross margins, and other financial metrics look impressive. LSPD is also consistently making new acquisitions to accelerate its financial growth in the long term.

While Spruce Point's report also raises questions about Lightspeed's recent acquisitions, I believe these deals are helping LSPD grow its customer base and expand its overall business faster. And I wouldn't expect all of company's acquisitions to be as beneficial in the long run as expected at the time of the deal.

## Is Lightspeed stock worth buying now?

At the moment, I would refrain from jumping to conclusions about bears' allegations on Lightspeed's management. I would also suggest long-term investors avoid buying its stock for now amid the ongoing market noise. The ongoing selloff in some high-flying tech stocks gives us another reason to avoid buying LSPD stock today.

However, Lightspeed stock still could be worth keeping on your watchlist. A major drop in the stock could give long-term investors an opportunity to buy an amazing Canadian tech stock at a bargain, in my opinion.

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2. Tech Stocks

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1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:LSPD (Lightspeed Commerce)

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