



Lightspeed Commerce (TSX:LSPD) Stock: What Should Investors Do Now?

Description

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) has been keeping investors up and night these days. Lightspeed Commerce stock hit all-time highs last month, only to lose about 30% by the end of September. Of course, if you've been following the company, you know what happened. But I'll give a quick refresher.

Spruce Point Management alleged that Lightspeed Commerce stock has been hiding behind a "flurry of acquisitions" instead of being forthcoming about its revenue metrics. These metrics, the report stated, are "smoke and mirrors." Spruce Point went as far to say there is a 60-80% downside in the company.

That is a major allegation. And analysts still don't know what to make of it. Even when Lightspeed Commerce stock management came out saying the allegations were completely untrue. The company accused Spruce Point of taking advantage of the huge loss as a short-seller.

How big was the loss?

Lightspeed Commerce stock has been climbing higher and higher since coming on the market. Shares were up 730% before the crash since coming on the market. After the report, shares collapsed. As of writing, Lightspeed shares are down 32% from those all-time highs.

But now is an interesting time for investors. Lightspeed Commerce stock hasn't come out with anything about the accusations since its primary response and stated it wouldn't speak about it anymore. The only release we've had from the company on the **TSX** today is that it will be announcing second-quarter results on Nov. 4.

And this is where Motley Fool investors need to start [paying attention](#).

Earnings bump?

During the response to the allegations, Lightspeed Commerce stock reiterated it's seen a 220% year-over-year increase in revenue as of its latest report. It stated its metrics are solid, so it's not likely to veer suddenly off that course. That would look pretty shady. And that could mean there will be a boost in shares from solid earnings, even before they come out, as tends to happen.

However, this also means it's likely analysts may start to weigh in on Lightspeed Commerce stock. After all, most will announce expectations for how the company will perform during the quarter. That being said, it would be odd not to take the recent allegations into consideration.

But as of right now, analysts haven't really touched the allegations. That's because the points are just that: allegations. So, if everything is as Lightspeed says it is, Motley Fool investors have nothing to fear. And shares could rebound right back up.

It's if more reports come out, and these several lawsuits coming forward over share losses come up with more information. That's when Lightspeed Commerce stock get tricky, and even risky, on the TSX today.

What should investors do?

Keep Lightspeed Commerce stock on your watchlist. You don't have to make any decisions right now. As of writing, the potential upside continues to be high, at least to get [back the gains](#) of 30% lost during the last month.

And in the [next few weeks](#), it's likely analysts will come out with what they think is really going on with Lightspeed Commerce stock. And when that happens, we at the Motley Fool will be there to let you know what to expect next.

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