



Forget Shiba Inu: Buy This Canadian Growth Stock Instead!

Description

Shiba Inu is a cryptocurrency that has [derived astonishing gains](#) for investors since it was launched 15 months back. In the last seven months, Shiba Inu has returned 32,000%, which means a \$500 investment in the coin in April 2021 would be worth more than \$162,000 today. However, despite these staggering returns, Shiba Inu is also down 40% from all-time highs.

The Shiba Inu ecosystem continues to expand, as close to 900,000 wallets own a stake in the digital asset. The number of cryptocurrency exchanges that allow trading in the SHIB token has also increased in the last year, improving liquidity and trading volumes as a result.

Lastly, ShibaSwap a decentralized exchange that allows investors to stake their SHIB tokens to earn passive income, was launched this July. This acted as a massive catalyst for the coin in recent months.

But here's why investing in SHIB tokens with a long-term horizon carries significant risks.

The bear case for Shiba Inu

At the time of writing, Shiba Inu is the 11th-largest cryptocurrency in the world and is valued at a market cap of almost US\$30 billion. So, the Shiba Inu price of US\$0.00005429 suggests that there are over 549.2 trillion tokens in circulation, making it highly inflationary. The number of Bitcoins that can be mined is capped at 21 million, but there is no such limit on Shiba Inu.

Further, just 110 merchants accept the SHIB token as a form of payment, and more than 40% of these businesses operate in the cryptocurrency segment. In the last 24 hours, the number of SHIB transactions stood at 34,000 compared to more than 230,000 for Bitcoin.

Last August, a cryptocurrency whale bought 70 trillion SHIB tokens for \$8,000, and the investment is currently valued at over \$3 billion. Now, the account holder has transferred 40 trillion of these tokens to four different addresses, which might indicate the investor is looking to cash out a significant portion of his gains, triggering a massive selloff in the process.

Lightspeed is a better bet right now

Investing in the [cryptocurrency space](#) carries significant risks given the volatility and lack of regulation associated with the asset class. Further, the weak fundamentals of the SHIB token exacerbate these risks, which suggests it is time to book profits in the digital asset and look for greener pastures elsewhere.

One Canadian stock investors can consider is **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), a company valued at a market cap of \$13.37 billion. LSPD stock has returned close to 400% since its IPO in early 2019, but it's also down 43% from record highs. The recent decline can be attributed to a short-seller report published by Spruce Point Capital that accused Lightspeed of misleading investors. Further, the recent [fiscal second-quarter results](#) of the company contributed to the selloff as well.

Lightspeed sales almost tripled year over year to US\$133.2 million in fiscal Q2. But over 50% of top-line growth can be attributed to acquisitions as organic sales growth stood at 58% year over year. The company's transaction-based sales were up 320% at US\$65 million, while gross transaction volume rose to US\$18.8 billion, as Lightspeed ended the quarter with 156,000 customers. But its adjusted EBITDA loss expanded to US\$8.7 million in Q2 from just US\$2.8 million in the year-ago period.

LSPD CEO Dax Dasilva stated, "Lightspeed's powerful commerce platform has helped our customers to not only survive the worst of the pandemic but thrive in the recovery. With the addition of Ecwid and NuORDER, Lightspeed will continue to deploy revolutionary technology that will allow our customers to meet the future with greater insights, control and confidence than they have ever had in the past."

Lightspeed is part of a high-growth vertical and is poised to benefit from multiple secular tailwinds in the future, making it a much better bet compared to Shiba Inu.

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