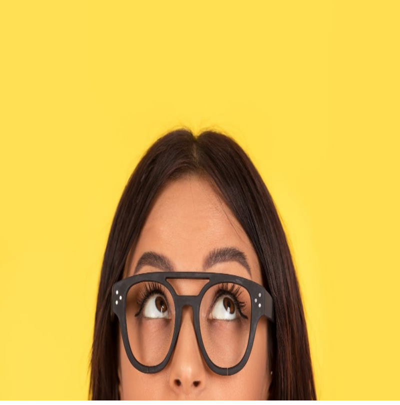

Buy, Hold, or Sell: What to Do About 3 Popular Stocks

Description

Opinions are what make the stock market. After all, someone needs to sell shares in order for you to add to your portfolio. That's why, it's not uncommon to see so many differing opinions regarding any company. In this article, I'll discuss three popular **TSX** stocks and tell investors what I think you should do with shares of these companies.

This is a stock you should buy

Over the past decade, online retail has slowly penetrated the global retail industry. Last year, the COVID-19 pandemic acted as a major catalyst, accelerating its penetration around the world. As a result, companies like **Shopify** (TSX:SHOP)(NYSE:SHOP) saw its value skyrocket. Despite having already made investors much richer since its IPO, I believe Shopify's growth story remains robust.

Shopify is a leading enabler of the growing e-commerce industry. It provides merchants of all sizes with a platform and all the tools necessary to operate online stores. In Q2 2021, Shopify surpassed **Amazon** for the first time in quarterly customer traffic. As a leader in an important and emerging industry, Shopify stock rates as a buy today.

If you can stomach volatility, this is a stock for you

Growth stocks are very volatile. However, if you're willing to hold through the volatility, there's a chance you could see massive gains. **Lightspeed** (TSX:LSPD)(NYSE:LSPD) is a perfect example of such a company. Since its IPO, the stock has gained about 100%. However, a short report published in September has caused the stock to stumble more than 50%.

From an investment point of view, Lightspeed still looks like a great pick. Its numbers are very promising. In its Q2 earnings presentation, the company reported 193% increase in quarterly revenue year over year. In addition, Lightspeed's total number of customer locations has grown 95% year over year. With growth like that, it's hard to bet against this company. I believe Lightspeed's future remains bright, despite the short report.

I still wouldn't buy shares

For the past year, I've been very vocal about my bearishness regarding **Cineplex** (TSX:CGX). Many investors chose the company as their post-COVID play. However, I've stayed true to my stance that better investment opportunities out there than Cineplex. The company has been on the decrease for years. In its Q2 earnings presentation, investors will note that both revenue and attendance plummeted in 2020. There's no doubt that the COVID-19 pandemic was a significant reason for that.

However, diving into the numbers a bit more, we can see some more troubling numbers. At the box office, Cineplex peaked in 2016 when the company reported $734 million in revenue. That was less than a 1% increase over the previous year. However, even more startling is that Cineplex's attendance numbers have been declining since 2015. Further into the presentation, investors can see that Cineplex's increasing revenue is driven by increasing food service sales.

These are not numbers that would make me comfortable investing. When you consider the hesitance of consumers to return to cramped spaces and the popularity of streaming services, Cineplex becomes even less appealing. I would sell shares here if you were lucky enough to catch the discount at the end of 2020.

CATEGORY

1. Investing

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1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:CGX (Cineplex Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SHOP (Shopify Inc.)

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