



3 Cheap Canadian Stocks to Buy Amid the Recent Pullback

Description

Amid the resurgence of COVID-19 cases worldwide due to the new variant, Omicron, the equity markets have turned volatile over the last couple of days. The **S&P/TSX Composite Index** has fallen by over 2% in the previous two trading days. Despite the correction, the benchmark index trades 0.5% higher for this month.

However, the following three Canadian stocks have witnessed a significant selloff this month and have lost over 10% of their stock value. Meanwhile, the steep correction offers an excellent entry point for long-term investors, given their healthy growth prospects.

Nuvei

First on my list is **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)), which has lost over 17% of its stock value this month and trades 31.8% lower from its September highs. The concerns over its high valuation appear to have dragged the stock down. However, its growth prospects look healthy. Digital transactions are increasingly becoming popular amid growing online shopping, benefiting Nuvei, which offers electronic payment services.

Meanwhile, Nuvei is also working to introduce innovative products, expand its geographical presence, and make strategic acquisitions to drive growth. Through Faster Payments and Instant SEPA technologies, it has strengthened its position in the U.K. and Europe, respectively. It also recently received a licence to service online betting and iGaming operators in Connecticut, Louisiana, and Arizona. Additionally, through the recent acquisition of Simplex, the company offers an infrastructure for its clients to transact using over 45 cryptocurrencies and non-fungible tokens.

So, given its multiple growth factors and the steep correction in its stock price, [I am bullish on Nuvei](#).

Goodfood Market

Goodfood Market ([TSX:FOOD](#)) has lost close to 40% of its stock value this month. The weak [third-quarter earnings](#)

and investors' skepticism over its growth prospects amid the reopening of the economy has dragged its stock price down. Amid the steep correction, the company is trading at an attractive valuation, with its forward price-to-sales multiple standing at 0.9.

However, I believe investors should utilize the sharp pullback to accumulate the stock to earn higher returns over the next three years, given its healthy growth prospects. Given the convenience and accessibility of online shopping, I expect the demand for Goodfood Market's services to sustain, even in the post-pandemic period. Meanwhile, the company plans to construct 13 fulfillment facilities across Canada to increase its delivery speed. It is also expanding its product offerings, venturing into new markets, and increasing its production capabilities to drive growth.

Lightspeed Commerce

This month, **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) has lost over 43% of its stock value amid rising net losses and a weak outlook. In its recently posted second quarter of fiscal 2022, the company's net losses increased from US\$19.5 million to US\$59.1 million. Further, the company's management issued weaker guidance for this fiscal due to the ongoing supply-chain issues. Despite its near-term challenges, the company's long-term growth prospects look healthy.

The increased adoption of online shopping has created a multi-year growth opportunity for Lightspeed Commerce. In the second quarter, its gross transaction value increased by 123% to US\$18.8 billion, while the total number of customer locations rose to 156,000. Additionally, it is expanding its services to new markets and focusing on launching innovative new products to increase its customer base and average revenue per customer. With cash and cash equivalents of US\$1.2 billion, the company is well equipped to support its growth initiatives and future acquisitions. So, given its healthy outlook, I expect Lightspeed Commerce to outperform over the next three years.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:FOOD (Goodfood Market)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:NVEI (Nuvei Corporation)

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