



## Alert: These Cheap Stocks Won't Be Cheap Too Long

### Description

There are plenty of cheap stocks now that the market has corrected. Some of these are value traps, which means they're deceptively cheap. However, others are temporarily cheap. These high-flying stocks rarely offer a bargain, which means their current valuations are a rare opportunity.

Here are the top three cheap stocks that won't be cheap for too long.

### Cheap stock #1

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is an obvious pick for this list. The stock was unbelievably expensive for the past few years. Then, in 2020, it went supersonic. At one point, the stock was trading at a price-to-sales ratio of 50!

Now, the story has changed. Lightspeed stock has dipped 60% from its all-time high. Meanwhile, revenue has surged after a successful pivot to e-commerce. That means the stock now trades at a price-to-sales ratio of 14.5.

This is the definition of a cheap stock that won't be cheap for too long. The price may take a while to crawl back to its all-time high, but the current rate is simply too low. This is likely to be temporary.

### Cheap stock #2

**Galaxy Digital Holdings** ([TSX:GLXY](#)) is another temporarily beaten-down stock. It's down 36% from its all-time high. Meanwhile, Bitcoin is down 25% from its all-time high. In other words, GLXY is closely correlated with the crypto market cycle.

The crypto market is remarkably volatile, but its long-term trend is upwards. This is why you can't expect to buy Bitcoin for \$300 ever again. It's also why Galaxy Digital's undervaluation is temporary. The stock should rebound strongly in the months ahead.

At the moment, Galaxy Digital stock trades at just \$26.2. The price-to-earnings ratio is an unbelievable 5.85. The company also has roughly \$2 billion in digital assets (cryptocurrencies) on its balance sheet. Meanwhile, its market cap is \$5.84 billion. This implies that 34% of each share is backed by digital assets on the book.

[Galaxy Digital is a cheap stock](#) that could look a lot cheaper if the crypto market rebounds.

## Cheap stock #3

**HIVE Blockchain Technologies** (TSX:HIVE)(NASDAQ:HVBV) is yet another deceptively cheap stock. The company is a Bitcoin and Ethereum miner, which gives it more upside than most pure-play BTC miners.

According to its latest corporate statement, the firm has 1,584 Bitcoin on its books. That's worth roughly \$100 million at BTC's current market price. The company also claims to be on track for \$350 million in annual revenue on a run rate basis. Meanwhile, HIVE Blockchain's market cap is just shy of \$1.6 billion.

In other words, HIVE stock is trading at 4.6 times annual revenue, or 16 times the value of its digital assets. That's a reasonable valuation in a sector that's notorious for being overpriced. Keep this cheap stock on your watch list.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:GLXY (Galaxy Digital)
3. TSX:LSPD (Lightspeed Commerce)
4. TSXV:HIVE (Hive Blockchain Technologies)

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