



Nuvei (TSX:NVEI) Stock Crashes 55%: Now What?

Description

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) shares collapsed by 55% on Dec. 8 at the time of writing. The crash came from a short-seller report by Spruce Point Capital Management, creating massive losses for Nuvei stock.

What happened?

You may recognize the name of Spruce Point, and you should. Spruce Point was the same company that created a report on **Lightspeed Commerce** back in September, causing shares to fall 30%. Those shares are still less than half their value from that report.

The Nuvei stock report by Spruce Point accused the company of “shady business dealings,” leading to fraud allegations. Furthermore, the company believes there is evidence the chief executive officer falsified his educational credentials.

That’s the drama, but the numbers are what investors should really pay attention to. Nuvei stock “claims significant benefits from e-commerce volumes, but that organic growth has been under pressure.” This led to questions as to why the company would take on so many acquisitions. Given all this, [Spruce Point](#) believes the company has a 40-60% downside, which led to almost a 60% loss in share price.

So what?

Analysts still have yet to weigh in on the report. However, there are a lot of claims that investors believed in during at least the short term during the Lightspeed drama. And those losses have yet to recover. And the allegations are serious if proved correct.

As fellow Fool writer [Jitendra Parashar](#) highlighted, Nuvei stock “has covered up a pattern of business failures,” it has a “web of relationships with individuals connected to major Ponzi schemes,” and its “business is declining organically in North America.”

Now what?

This comes at a time when Nuvei stock came down slightly but was on its way back towards 52-week highs. It’s been one of the tech stocks to see a dramatic rise since its public listing. And it’s one that could lead to a fear-led drop rather than one based on fact.

As I mentioned, analysts have yet to weigh in on what investors should do with Nuvei stock today. With Lightspeed, many have since weighed in to state the selloff has gone way too far — especially given that it’s made major partnerships and its acquisitions are now up and running.

For Nuvei stock, this is a brand-new volatile situation. So, it’s definitely a time to wait and see. One thing I would recommend at this point is the hold the stock rather than sell it. You’re certain to take on a loss. However, if you’re looking to buy, I would wait for analysts to weigh in first.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:NVEI (Nuvei Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolfe
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/07/07

Date Created

2021/12/08

Author

alegatewolfe

default watermark

default watermark