



## The 3 Best Cheap TSX Stocks to Buy in December

### Description

High valuation, profit booking, short reports, and the resurgent coronavirus are the reasons why some of the top TSX stocks have lost a considerable portion of their value and are trading cheap. While near-term challenges could continue to keep these stocks volatile, I am bullish on their long-term prospects.

### Lightspeed

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock has crashed nearly 40% in a month and has created a new [52-week low](#) of \$52.26. Furthermore, it has dropped about 68% from its peak, eroding a significant portion of its shareholders' wealth.

The massive drop in Lightspeed stock comes from an expected moderation in its growth rate and a short report from Spruce Point Capital Management. While Lightspeed dismissed the short report, its organic growth could soften a bit amid economic reopening and tough comparisons.

Nevertheless, I am upbeat on Lightspeed stock and see this sharp correction as an opportunity to buy. Lightspeed stock is trading at an NTM EV/sales multiple of 8.2, which is significantly below its historical average. Further, its average revenue per user is growing on the back of multiple module adoption by existing shareholders.

Overall, its growing payments penetration, large addressable market, favourable sector trends, expansion into high-growth markets and verticals, and low valuation make it an attractive investment.

### Nuvei

Like Lightspeed, a short report led to selling in **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock. While Nuvei termed the short report's claims as "misleading," its stock lost more than 50% of its value in the one month.

Nuvei's CEO, Phil Fayer, remained confident and expects to achieve its medium- and long-term

targets. Moreover, he reiterated the FY21 outlook that included revenues of \$717 million to \$723 million and adjusted EBITDA in the range of \$312 million to \$316 million.

The significant decline in Nuvei stock represents an excellent buying opportunity for long-term investors. I expect Nuvei to benefit from customer acquisitions and increased revenue from the existing customer base. Moreover, its expansion into high-growth growth markets and verticals, product innovation, and operating leverage could push its stock higher.

However, investors should take caution before investing in Nuvei stock, as I expect it to remain highly volatile in the short term.

## Air Canada

**Air Canada** ([TSX:AC](#)) stock has reversed all of its gains and is trading in the red year to date. The sharp pullback in Air Canada stock comes amid the emergence of the newer variant of the coronavirus. Investors' fear is natural as the COVID-19 pandemic took a toll on Air Canada's financial and operating performance in 2020.

While I agree that the Omicron variant adds uncertainty over Air Canada's profitability in the near term, I remain bullish on its long-term prospects. I expect Air Canada's financials to get a significant boost from the revival in travel demand. Meanwhile, its focus on revenue diversification and cost-control measures will likely keep it afloat amid challenges.

It is worth noting that Air Canada stock is trading at about a [60% discount](#) from its pre-pandemic levels, offering a solid opportunity to go long.

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2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:AC (Air Canada)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:NVEI (Nuvei Corporation)

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