



Why Nuvei (TSX:NVEI) Stock Jumped 12% on Tuesday

Description

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) saw signs of life on Tuesday, Dec. 21 when the stock climbed 12% to \$75 per share. This came after analysts continue to give earnings previews, stating the payment [processor](#) should hit its full-year financial targets.

What happened?

Nuvei recently became the focus of a short-seller report by Spruce Point Capital Management. In the report, the short-seller accused the company of providing false metrics. Furthermore, it stated that Nuvei's growth wasn't as strong as it continues to claim.

However, Nuvei reinforced that it aimed to make between \$717 and \$723 million for full year 2021. Now, analysts are weighing in as well. Already, three analysts have come in with a buy recommendation for Nuvei, most recently on Dec. 9. This comes just over a week after the report that caused the share price to plummet 55% in a day.

Analysts now believe Nuvei can indeed reach its target full-year goal, with the analysts predicting sales of \$210 million for the this quarter and about \$722 million for all 2021. This would be on the high end of Nuvei's own predictions.

So what?

This is positive news for investors wondering whether the growth is possible. Analysts, so far, believe it is and even go as far to increase next year, too. Analysts now believe sales could reach up to \$950 million in 2022. And, to be honest, Nuvei is known to beat analyst estimates.

The recent backing by analysts clearly put confidence back in the minds of investors. Shares climbed 12% on Tuesday, yet there is still a lot more room to grow. The short-seller report hurt the company badly, bringing down the average price target in the process.

Now what?

While Nuvei may be a recommended buy by some analysts, I am still waiting for others to chime in. Furthermore, it remains a volatile stock in a volatile market. While the average price target remains at \$155, some have severely cut that number to as low as \$119.

Even still, as of writing, that would represent a potential upside of 59% — even higher if it reaches past all-time highs. Unfortunately, only time will tell what investors will see in the near future. But as analysts believe, when the next two quarters even things out, Nuvei could see the strong share growth that investors saw in 2021 again in [2022](#).

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