



1 Tanking TSX Stock to Buy Now

Description

With growth stocks taking a brunt of the damage, the recent [purge](#) or selloff seems to be setting the stage for a nice Santa Claus rally. Indeed, a bounce-back is probably way overdue, given all the damage already done to some of the fastest-growing firms out there.

ARK Invest's Cathie Wood seems to think that the recent growth-concentrated selloff is a buying opportunity for those willing to go against the grain. Indeed, there's a good chance that the "deep value" as she sees right now is actionable by those with investment horizons beyond three years, rather than three months.

In any case, with Omicron jitters already baked in here, I would at least start thinking about doing some buying before one of the strongest seasonal periods for stock markets.

In this piece, we'll have a closer look at a tanking growth stock that can't seem to catch a break of late. It's shed way more than the broader TSX Index but could be in a spot to ricochet at an above-average rate when the time comes. Now, I have no idea if the Santa rally will come into play this year. Regardless, long-term investors should focus on obtaining solid gains for the next several years, rather than looking to make a quick buck off a near-term dip.

Without further ado, consider **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)), one magnificent TSX stocks that could have the most [room to run](#) if Santa Claus gifts us a massive relief rally starting next week.

Nuvei: A top tanking TSX stock to buy on the dip

Nuvei has been one of the hottest stocks since going live on the TSX around a year ago. Indeed, the red-hot momentum was hard to stop, and if you got behind the name, you were rewarded with a quick multi-bagger. A short-seller with serious allegations has taken away the punch bowl, though. Indeed, the easy money in the Montreal-based payments player has already been made.

Shares of NVEI collapsed, shedding over 65% of their value in a matter of months. On Tuesday's relief rally, though, the stock bounced over 16% in a day. Could more of the same be in store, or is the

downward trend still in play?

Although there's a lot of food for thought in the recent short report against the company, there seems to be no "smoking gun" that should lead investors to rush to the exits, especially for those who already stomached such a vicious decline. Although it's tough to determine if short allegations are completely baseless, I think it's wise to play the name by ear, as the shorts have had a fairly mixed track record with targeting hot Canadian tech stocks of late.

I think Nuvei can move on and trend higher, as it navigates through its latest selloff. Shorts, a souring of the growth trade, and macro issues relating to Omicron seem more than baked in, making NVEI a high-risk/high-reward play for the venturesome.

The bottom line for Canadian investors

Catching a falling knife is hard. But in the case of Nuvei, I think there's a lot of confusion clouding the long-term growth story at hand. I think it's still in play, although investors will be cautious with recent short claims. In due time, I believe Nuvei could move on and prove to investors that it's a legit growth king. If it does, the growth stock could be back at new highs in a hurry.

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