



## My Top TSX Growth Stock Pick for 2022

### Description

Following the COVID-19 market crash in early 2020, growth stocks led the way for [Canadian investors](#). Even though the market as a whole ended just about flat in 2020, many high-flying growth companies ended the year at all-time highs.

In 2021, investors witnessed many of those [growth stocks](#) from the year prior cool off. After an incredible year of gains, it was not all that surprising to see.

As a long-term investor, I viewed 2021 as a year of accumulation. There were all kinds of market-leading companies trading at discounts throughout the year.

It's not easy to invest in companies trading far below all-time highs, I certainly won't argue that. If you did exactly that in 2021, as I did, I believe you'll be thanking yourself in a few years time.

### Investing in growth stocks

The market as a whole had a great year in 2021 with the **S&P/TSX Composite Index** up over 20%. Heading into 2022, there's no shortage of top growth stocks still trading at discounts.

At the top of my watch list I've got **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)). I'm already a shareholder of the [tech stock](#) but I'll be looking to add to my position early this year, especially with shares trading at a massive discount right now.

If you're going to invest in growth stocks, you'll need to be prepared for volatile market periods. You can expect much higher levels of day-to-day volatility than what the broader market endures. The upside of owning growth stocks is that you'll have the potential to earn market-beating gains.

Here's why I'd highly recommend putting Lightspeed on your own watch list this year.

## Lightspeed

Down more than 60% from all-time highs, Lightspeed is a screaming buy today if you're a long-term investor.

In the short term, who knows how the tech stock will perform. Lightspeed shareholders experienced all kinds of highs and lows in 2020. As a result, I'm not even going to try and attempt to predict how the growth stock will fare in 2022.

Over the next five years and longer, though, there's little doubt in my mind Lightspeed will continue to be a market-crushing stock.

Since going public, shares are up close to 200%. That's good enough for a compounded annual growth rate above 40%. Lightspeed has largely outpaced the Canadian market's returns as a public company.

## Reasons to believe in Lightspeed

The growth stock ended 2021 down more than 30%. From that view, especially with the market up 20%, it was an extremely disappointing year for Lightspeed shareholders. From a business point of view, there's a lot to be bullish about in the coming years.

Lightspeed management continues to execute as planned with a major focus on growth. Both the company's product offering and geographic presence continue to expand, which has been fueled by the company's aggressive acquisition strategy.

Even with the growth stock's poor performance in the second half of 2021, the business has been soaring. Lightspeed has managed to grow year-over-year quarterly revenue at just about 200% in each of its last two quarters.

I'm as bullish as ever on Lightspeed in the coming years, but that doesn't mean I expect volatility to slow anytime soon. As long as the tech stock continues to trade at frothy valuations, volatility will likely remain.

If you can stomach the volatility and have a long-term time horizon, Lightspeed should definitely be on your radar in 2022. I'd act fast though, as I don't think it will be long before the growth stock is back to all-time highs.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)

## **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. gsmiley
2. ndobroruka

## **Category**

1. Investing
2. Tech Stocks

## **Date**

2025/08/21

## **Date Created**

2022/01/03

## **Author**

ndobroruka

default watermark

default watermark