



2 Growth Stocks That Could Rally in 2022

Description

Canadian equity markets had a largely fantastic year in 2021, as most industries put up a stellar performance. The energy and financial sectors had a tremendous run throughout most of the year. But not every sector of the economy had a good year on the stock market. Typically, stocks in different industries take turns in performing well.

Last year saw the energy sector boom, but [investing in technology](#) did not seem wise. Between short-seller reports from Spruce Point Capital Management and trading at high multiples, several top names in the tech sector went through massive selloffs.

While a correction was warranted for many of them, some growth stocks in the tech sector appeared oversold. There are also names in the tech sector that managed to move on a sideways trajectory and are poised to deliver stellar returns this year.

Today, I will discuss two growth stocks from the tech sector that should be on your radar today if you're looking for [assets that are likely to rally](#) this year.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is one of the names from the tech sector that has been taking a beating. 2021 saw the broader tech sector underperform compared to the broader economy, but Lightspeed Commerce stock was particularly fragile last year. Lightspeed stock was one of the companies targeted by the Spruce Point Capital Management short-seller report, and that did hurt investor sentiments regarding the stock.

Lightspeed stock went through a significant selloff last year. At writing, Lightspeed stock is trading for \$51.08 per share, and it is down by 40% year over year. At its current levels, the e-commerce giant is down by almost 70% from its all-time high in September 2021. The short-seller report has done its damage, but the stock appears oversold.

The 12-month price target given by 14 analysts for Lightspeed stock is \$123 per share — a drastic

change from its current levels. Lightspeed Commerce stock could be a steal at its current levels.

Converge Technology Solutions

You could consider **Converge Technology Solutions** ([TSX:CTS](#)) an excellent growth stock to buy in 2022. While most high-growth tech stocks have been going through a meltdown in recent weeks, Converge Technology stock effectively traded in a sideways trajectory through the latter half of last year. Converge stock did not have to contend with negative coverage in short-seller reports, unlike several of its peers, which might have helped its cause.

Besides avoiding negative news that could hurt investor confidence in the company, Converge Technology has introduced several new offerings. The company has also made multiple acquisitions and improved the profit margins of its acquired companies. At writing, Converge Technology solutions is trading for \$10.87 per share.

The \$2.28 billion market capitalization stock has a long and wide runway to grow, and it could be worth adding to your portfolio today.

Foolish takeaway

Investing in growth stocks can be an effective strategy to speed up your wealth growth through potentially market-beating returns. However, it entails a significant degree of capital risk. Growth stocks present you with a high-risk/high-reward situation in that you can see substantial returns through capital gains. But you can just as easily see the value of your capital invested in the companies decline if they cannot perform well.

It's necessary to take calculated risks when investing in growth stocks. Closely study the stocks you are considering for this purpose and make an investment decision after conducting your due diligence. Lightspeed Commerce stock and Converge Technology Solutions stock could be good additions to your investment portfolio if you're looking for growth [stocks that can rally this year](#).

CATEGORY

1. Investing

TICKERS GLOBAL

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

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Date

2025/08/12

Date Created

2022/01/08

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