



Why Lightspeed Commerce Stock Fell 24% Last Week

Description

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) continues to drop, falling last week about 24%. And this week doesn't look any better. But is it due to Lightspeed stock and its management? Or is it the [broader](#) tech pullback bringing the stock down? Let's take a look.

What happened?

In the case of Lightspeed stock, there were a few announcements the week before last that brought the stock back up. First, the company announced it would be reporting its third-quarter results on Feb. 3, 2022, before market open. Before that, the company announced its United States retailers grew twice as much as the industry average in 2021.

So, it looks like there *could* be some good news in the next quarter. Yet investors are aware that during the last quarter Lightspeed stock had a word of caution attached. Its results would be hampered by supply-chain demand, both on its side and its retailers' side. So, as quarterly results inch closer, investors may become a bit more fearful.

So what?

But is fear the right way to ride the market? Not according to pretty much any investment guru in the world. And right now, that fear has brought shares down to around \$34 as of writing. That's much lower than the consensus target price of about \$116 as of writing.

Most recently, **National Bank** Financial analyst Richard Tse stated that while the next year could see lower share prices for Lightspeed stock, it's still a buy. So, on Jan. 24, he continued to place the company as an outperformer but brought down his target price from US\$120 to US\$90.

"Not surprisingly, the sting of a short-seller report continues to hamper the valuation of LSPD. Our view has been that the overhang won't lift quickly and will require consistent execution before it begins to fade," said Tse. "No doubt, that underscores the importance of the upcoming quarterly results. On that,

we see an in-line quarter with some outsized risk care of selective global lockdowns in the quarter particularly as it relates to the hospitality segment. With respect to Lightspeed Payments, we expect continued momentum.”

Now what?

All things considered, Lightspeed stock offers a great opportunity for long-term investors. It’s incredibly cheap at the moment in every sense of the word. Lightspeed Payments continues to expand, as does its retailer business. Add in the momentum behind its acquisitions, and the company seems to be doing quite well.

That being said, a lot rides on this next quarter for Lightspeed stock and tech companies in general. The [pullback](#) is happening, and it’s real. Investors need to see some great things happening, as do analysts, to climb back on board the bandwagon. And for this company, it’s even harder, as it tries to [battle back](#) the short-seller report from Spruce Point Capital Management last fall.

The time for incredible jumps is likely over for tech stocks, and that includes Lightspeed stock. But for those of us looking for a long-term investment, this could be a multi-bagger over the next few years that you don’t want to miss out on — especially at this price.

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