



## Why Lightspeed Commerce (TSX:LSPD) Stock Rose 6% Last Week

### Description

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is a Montreal-based company that provides commerce-enabling Software as a Service (SaaS) platform for small- and midsize businesses. In late November 2021, I'd [discussed](#) whether Lightspeed stock was a buy-low opportunity or a falling knife to avoid. Today, I want to revisit Lightspeed stock and discuss how it looks going forward. Let's jump in.

### Why Lightspeed stock gained momentum over the last week

Shares of Lightspeed stock have increased 6.1% week over week as of close on January 28. The stock is still [down 26%](#) so far this year. This tech stock may have the potential to gain some solid momentum on the back of some promising recent news.

On January 26, the company announced the expanded launch of the new Lightspeed Restaurant. This is a unified commerce and point-of-sale (POS) platform. Its United States-based hospitality customers outperformed their global peers in the year-to-date period. That has spurred Lightspeed to move to take more advantage of this thriving market.

This expansion will incorporate order throttling, which helps restaurants manage demand spikes. Moreover, it expanded Order Anywhere in Europe, and integrated payments for all Canadian Lightspeed hospitality customers.

### How does the stock look ahead of its next earnings release?

Lightspeed stock was struck by major turbulence in late September 2021. This was due to a damaging short report from Spruce Point Capital Management. That report alleged that Lightspeed has greatly exaggerated its customer growth. Moreover, it also alleges that it has overstated financial success and growth projections.

The company is set to deliver its fourth-quarter and full-year 2021 results in early February. This is crunch time for investors to get a read on its shares ahead of this earnings release.

In the third quarter of 2021, Lightspeed reported total revenue of \$133 million — up 193% from the previous year. Meanwhile, subscription revenue increased 132% to \$59.4 million. Better yet, gross transaction volume (GTV) rose to \$18.8 billion. Its Payment Penetration rate delivered 11% growth.

Back in May 2020, Grand View Research estimated that the global e-commerce market was valued at \$9.09 trillion in 2019. It has projected a CAGR of 14.7% from 2020 through 2027. Moreover, the COVID-19 pandemic has served to accelerate the growth of this space. Lightspeed is a middle player compared to Shopify, but it is still worth your attention considering its exposure to e-commerce.

## Should you buy Lightspeed stock today?

Since the short report, Lightspeed has flashed [buy signals](#), as it has hit low after low in the weeks that followed. The company will hope to gain momentum as it is set to unveil its final batch of 2021 earnings.

Lightspeed stock possesses an RSI of 28 as of close on January 28. This puts the top tech stock in technically oversold territory. Moreover, this company still boasts a fantastic balance sheet. I'm looking to take the gamble and snatch up Lightspeed, as it has flashed buy signals since the beginning of November 2021.

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