Lightspeed or Real Matters: Is Either a Buy Today?

Description

Lightspeed Commerce (TSX:LSPD)(NYSE:LSPD) and **Real Matters** (TSX:REAL) both had their target prices lowered by analysts. Yet Lightspeed stock and Real Matters stock maintained their "buy" rating, and may even outperform in the next year.

But is the growth enough for Motley Fool investors? Especially those who have been burned before? Let's take a look at whether Lightspeed or Real Matters are buys today.

Lightspeed stock

Lightspeed stock fell to 52-week lows last week before starting another climb. Shares of the e-commerce platform started to fall last September, when a short seller report came out with strong accusations against the company. This was followed by the company telling investors the next quarter might not be so strong because of supply chain issues. And then, a tech crash hit the company's share price.

So what's happening now? Well, earnings are due for Lightspeed stock on February 2, after the market closes. This alone could add some growth to Lightspeed stock. Another point is that while analysts have lowered their target prices, they're still almost double where the stock is now.

Lightspeed stock now has a consensus target price of $108. However, two analysts recently sliced their targets to $75, $68, $62, and $40. Even still, it remains just above oversold territory after this movement. And despite cutting targets, analysts continue to recommend the stock ahead of earnings. Revenue is expected to reach $141 million, with an earnings per share loss of $0.44. It should then benefit from the reopening of the economy.

Shares of Lightspeed stock are up 27% after hitting 52-week lows as of writing.

Real Matters stock

Several analysts also had a lot to say about Real Matters stock after the company hit 52-week lows last week as well. Since then, shares have been shooting up for the tech company focusing on mortgage and loan lending. Yet it's still far and away from all-time highs in the double-digits.

Because of this, analysts believe the stock to be "deeply [undervalued](#)." This came after its earnings report announced revenue of $107.8 million, down 34.7% year over year and missing estimates. Earnings per share fell 71% to $0.04, also missing forecasts. This comes from ongoing weakness in the market, which may only get worse.

However, analysts remain confident about the stock's long-term future. This is a novel, not a short story, and analysts believe it will continue to take market share as it brings on large lenders. Therefore, analysts believe Real Matters stock should outperform, and could indeed double or more in the next year. The consensus target price for the stock is about $9.50, a potential upside of 52% as of writing.

Shares of Real Matters stock are up 14% after hitting 52-week lows as of writing.

Foolish takeaway

When it comes down to it, I think Lightspeed stock is likely the better option for Motley Fool investors today. Lightspeed seems to already be showing some strength ahead of earnings. Its acquisitions are online, and the short seller report created a sell-off that far outweighed a correction. Now, the share price looks simply too good to pass up.

As for Real Matters stock, long-term investors may indeed see strong performance. But its sector is still very shaky. There are far too many question marks, in my opinion, and far less certainty when it comes down to it.

Therefore, if I were going to choose either, I'd definitely go with Lightspeed stock today. Especially before an earnings boost in share price.

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