



This Battered Growth Stock Is Oversold Beyond Belief!

Description

Growth stocks have taken a one-two hit right on the chin. Many names have been [knocked down](#), others have been knocked out, with share prices so far off from their all-time highs that it's not virtually impossible to recover over a five-year timespan. Although a recovery in such beaten-down names (think names off 50-80% from their highs) are unlikely to eclipse their highs anytime soon, that does not mean there's no [value](#) to be had or that entrants at these depressed levels can't score a pretty decent return.

In this piece, we'll highlight one oversold growth stock that has been beaten down due to a variety of factors. Further, the name also had a front-row seat to the latest market selloff, but it also had to deal with short-sellers.

Going against the grain with oversold growth stocks?

Now, it's risky to go against the grain when someone on the Street sees smoke. That said, there have been cases where the shorts were completely wrong, especially when it comes to the big Canadian tech stocks. If it turns out that such names, which have fallen partially at the hands of short reports, are innocent of allegations, a huge upside correction could easily be in the cards. It's the job of investors to do their own analysis to determine whether or not the shorts are right to cry wolf.

Further, rising rates have been a cause for concern for growth investors of late. The following oversold growth stocks may be further vulnerable to downside should the Fed raise interest rates much quicker or faster than the Street is currently expecting.

If you're a young, venturesome investor who has money to risk for a shot at high rewards, do look to the rubble for some bargains in the growth and tech space. For everyone else, though, tread carefully because, like it or not, a massive selloff in the rear-view mirror does not mean more of the same won't be up ahead.

Lightspeed Commerce

Commerce-enabling firm **Lightspeed Commerce** ([TSX:LSPD](#))(NYSE:LPSD) collapsed again (it's the second time in two years!), shedding nearly 80% of its value from peak to trough. The \$6 billion company has a history of booming and busting big. This isn't the first time the company suffered a drawdown of at least 70%. The last time was during the dark days of 2020. The stock not only recovered ground within a year — it blasted off to hit new highs. Ultimately, most of the gains were surrendered when short-sellers took aim at the company, blasting the firm for misleading investors.

With Dax Dasilva stepping away from his CEO position, questions remain as to what comes next. Indeed, there's a lot of haze surrounding the company this time. Whether or not the 80% decline is warranted is a big question mark. While I am a fan of the platform, I'm not so sure what to make of short allegations. They're concerning. For now, I'd just watch the stock, but if you believe the shorts are wrong, I'm not against nibbling at these depths.

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