



Shopify Stock Soars, is Lightspeed Stock Next?

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) stock finally saw some action this week, after hitting a 52-week low nobody saw coming. Shares of Shopify reached peak levels of \$2,228 back in November 2021. But when Omicron hit, the stock got hit as well. Shares all but collapsed, crashing by 70%.

Until yesterday, that is.

What happened

Shopify stock recovered at least some of its losses on March 9, when the company saw a recovery of 13.59% at the end of market close. Shares grew to \$754, and while that's still a far cry from where it was in November, this could be the start of something new.

Now it's not entirely clear why Shopify stock went up again. Honestly, analysts believe that investors simply think it can't get any worse. Omicron hit last year, followed by a [collapse](#) in tech stocks. Inflation moved in, along with the company ending fulfillment centre contracts. Finally, in the last few weeks the Ukraine crisis also had its toll on the market in general.

So, investors seem to think perhaps Shopify stock has had enough punishment for now. And this could therefore be the start of another huge opportunity. But it also begs the question, "What other tech stocks could climb again?"

Is Lightspeed stock next?

It's not a big stretch to start wondering whether **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) could be the next tech stock to see a major jump. Just like Shopify stock, it's a global e-commerce company hampered by a combination of slowing growth and bad timing.

Of course, Lightspeed stock got hit last year after a short seller report sent shares [down](#) 30% in a day. After reaching \$166 per share, the stock fell by 83% to \$28.59 this week. Yet yesterday, shares also

started upward once more. This time by 7.85% by market close.

In the case of Lightspeed, the company has been far more active than Shopify when it comes to interesting investors. Rather than take the wait and see approach, Lightspeed moved its Chief Executive Officer Dax Dasilva to an executive chair of the board role. He was replaced by JP Chauvet, who believes the company will meet its growth and profitability quotes this year. That growth is estimated by Chauvet to be 35% to 40% per year.

Now what

Shopify stock did in fact come out and state that the company is moving to the second phase of its fulfillment centre plan. This could be huge for long-term investors. It may be a larger cost now, but long term it's setting itself up for stable growth. And it has a proven track record that shows the company can always identify growth opportunities.

As for Lightspeed stock, analysts believe the company's share drop is also far [over blown](#). While target prices came down, it still remains around \$77 per share. That's a 157% increase from today's share price. And what both analysts and management agree is that when it comes to Lightspeed stock, its advantage is the company's software to simplify growth.

Shares of Shopify and Lightspeed remain in oversold territory, with Shopify at a relative strength index of 35, and Lightspeed slightly above at 37.

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2. Tech Stocks

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3. TSX:LSPD (Lightspeed Commerce)
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