



Why Shopify Stock and Lightspeed Stock Climbed This Week

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) both saw positive momentum this week, each up 7% after just a day as of writing. The jump comes as the market continues to whipsaw, with tech stocks bearing the brunt of the pain.

What happened?

While it may seem unrelated, there were several international moves that sent shares of Shopify stock and Lightspeed stock upwards this week. The first was the United States Federal Reserve announcing it would likely raise interest rates. This could get [inflation](#) under control and allow some normalcy to return to the stock market.

Secondly, news came out of China. At first, a new wave of the COVID-19 virus sweeping through the country led to share price drops. But in the biggest recovery since 2008, the U.S. announced it would support U.S.-listed Chinese companies. This saw a surge in the Asia-Pacific markets, including fellow e-commerce giant **Alibaba**.

So what?

The strength in China already pushes aside intense worry of the country's economic performance. While the new lockdowns certainly don't help matters, a new interest rate would — and that includes with Shopify stock and Lightspeed stock.

Recently, investors have been selling their shares of Shopify stock and other [tech](#) companies to get cash in hand. This comes as inflation continues to climb out of control. However, there was some good news recently. After an increase of 7% year over year in February, that rate is down to 5.7% this week.

After reaching 52-week lows, Shopify stock and Lightspeed stock both started trading in an upward direction this week. Even with Russian sanctions imposed by both companies, e-commerce clearly isn't slowing down. In fact, a new report stated that e-commerce spending is on pace to hit a record \$1

trillion this year alone. This comes from a combination of moving online, and the pandemic forcing consumers online.

Now what?

Even if the pandemic ends tomorrow, Shopify stock and Lightspeed stock aren't going anywhere. True, I'm not sure how long it will take either to return to four-digit and [three-digit](#) share prices, respectively. However, both e-commerce giants are sure to get a piece of that trillion-dollar action.

That makes both Lightspeed and Shopify stock steals at today's prices. Shares trade at about \$30 and \$763 respectively. Based on target prices for each company, that would be a potential upside of 153% for Lightspeed stock and 158% for Shopify stock.

CATEGORY

1. Investing
2. Tech Stocks

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

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