



## Here's Why You Should Buy Lightspeed Commerce (TSX:LSPD) Stock Right Now

### Description

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is showing signs of life again in its performance on the **TSX**. The beaten and bruised tech stock started on an upward trajectory on March 14, 2022, and it appears to be sustaining positive momentum. Lightspeed stock trades for \$38.33 per share at writing, and it is up by almost 51% from its March 14th levels.

2019 and 2020 were big years for the tech industry, because of the pandemic-fueled industry tailwinds helping tech companies soar to greater heights. Most tech companies continued the positive momentum in 2021, but the year ended with a drastic decline in tech stocks across the board.

Rising inflation rates, supply chain issues, fears of tightening monetary policies, and the onset of significant uncertainty in light of the issues combined with negative short-seller reports to send tech stocks reeling. Many analysts believe that the tech meltdown was drastically overdone.

As investors fled risk by selling off their shares in tech stocks, many saw it as an opportunity to capitalize on the eventual recovery.

If you have been searching for [undervalued stocks](#) that you could use to capture significant near-term profits, Lightspeed stock might be an ideal investment to consider.

### The decline, recent rally, and outlook

Analyst recommendations changed, with many of them slashing their predicted target prices. The short-seller report by Spruce Point Capital Management hurt investor sentiment further, causing the selloff to become overblown by a substantial margin. The recent rally in tech stocks indicating a positive revival comes through the hopes of a viable solution to rising inflation.

Regulators in Canada and the U.S. have recently enacted interest rate hikes to combat the inflationary environment. It will take some time for interest rate hikes to bring down the alarmingly high inflation rates. However, it is a possibility on the cards right now and impacts investor sentiment.

Lightspeed's business has been performing well regardless of its valuation on the stock market. It has a booming business and a customer base that keeps expanding.

Lightspeed is diversifying its geographical footprint, and it has the potential to become an e-commerce giant comparable to the biggest names in the industry. The significant downturn in its valuation over the last several months makes it an attractive [high-growth play](#) to consider.

## Foolish takeaway

Despite the recent surge in its valuation, Lightspeed stock is down by 23.62% year to date. It suggests two things: firstly, there is much room for Lightspeed stock to grow until it recovers to its 2022 highs. Secondly, there is still a considerable degree of risk involved with investing in Lightspeed stock and other growth stocks.

Depending on how the geopolitical situation plays out, stock markets could be in for more uncertainty in the coming weeks and possibly the next few months. Significant enough volatility could erase the recent tech sector gains. However, the surge shows that Canadian tech stocks do have the potential to deliver [stellar shareholder returns](#) during favourable market environments.

If you are bullish on the tech sector's recovery, Lightspeed stock could be an ideal addition to your self-directed portfolio.

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2. Tech Stocks

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