



TFSA Investors: 1 Absurdly Cheap TSX Stock That Is Poised to Explode

Description

After a rough month for Canadian investors, the market finally began showing signs of life last week. The **S&P/TSX Composite Index** surged more than 2% last Friday. The market managed to recoup close to all of its losses from earlier in the week. Still, the Canadian stock market as a whole is down 5% year to date.

It's been a difficult year for investors to say the least. But I will say that it was incredibly refreshing to see the market end on a strong note last week.

Only time will tell if the market's recent push is the start of a larger rebound. But with many [high-growth](#) **TSX** stocks trading at bargain prices right now, I'm not planning on waiting for the market to surge too high before putting my money to work.

Why choose a TFSA for investing in stocks?

When it comes to choosing which savings account to use for stock investing, Canadians have a few options. The [Tax-Free Savings Account](#) (TFSA) often gets overlooked due to having an annual contribution limit much lower than a Registered Retirement Savings Plan.

While lower contributions limits are one con to a TFSA, there are a few pros that largely outweigh it. One of the key benefits of investing in a TFSA is tax-free compounded gains. The tax-free withdrawals are also great, but it's the fact that gains can compound year after year, completely tax free, that has me maxing out my own TFSA each year.

To really benefit from tax-free compounded growth, the stocks I own in my TFSA tend to skew towards high-growth tech stocks. And fortunately, since I'm a long-term investor, there are plenty of top growth stocks on the TSX trading at [massive discounts](#) right now.

I've reviewed a top tech stock that I'm already a shareholder of. And with the market on the cusp of a potential rebound, I'll be looking to add to my position very shortly.

Lightspeed Commerce

I'll admit it was an odd way to finish the week, but it was also a relief to see **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) up more than 30% last Friday.

The tech company has had a tumultuous year, which has the growth stock now down more than 40% in 2022. That's even including a 30% surge from just two trading days ago.

Many high-valued growth stocks in the tech sector have been crushed this year. But while stock prices may have dropped dramatically, many of those businesses have remained fundamentally unchanged.

Despite trading close to 80% below 52-week highs, I'd strongly argue that Lightspeed Commerce's long-term growth potential remains firmly intact.

In the company's first three-quarters of its current fiscal year, year-over-year quarterly revenue growth has come in higher than 100%.

Even with today's discounted price, Lightspeed is still trading at somewhat of a premium. As a result, I'd be prepared for more volatility if you plan on owning shares of this growth stock.

But if you've got the patience and a long-term mindset, Lightspeed could be a market-crushing stock for years to come

The company is set to report its 2022 Q4 earnings this Thursday before the market opens.

CATEGORY

1. Investing
2. Tech Stocks

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1. Editor's Choice

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