



Lightspeed Commerce (TSX:LSPD): Severely Oversold; Potential Bargain

Description

Tech stocks cannot seem to catch a break these days, with Fed interest rate hikes, the war in Ukraine, and the COVID-19 pandemic. The recent global spread of Monkeypox may also be another cause for concern, as if there weren't already more than enough. Undoubtedly, the road ahead looks like it's going to be a very bumpy one.

Regardless, good investors stay invested through good times and bad. Though it seems like nothing can go right on the macro level, I'd argue that if any good news were to land unexpectedly, the market would have considerable upside in what could be a swift upside move. If you jump in and out like a near-term trader, though, odds are, you'll only get in your way and miss out on those unexpected up days. Beginner investors need to stop trading and start focusing on the next five to 10 years.

The stock market could easily find its footing in the second half. The consumer has shown signs of responding to high rates of inflation. However, they still seem robust, with ample cash savings built up during the early part of the pandemic that has yet to be fully put to work. Indeed, it's hard to remember the last time we heard of the "Roaring 20s," which has been replaced by chatter of doom and gloom, with recession and stagflation dominating the headlines.

Any value to be had in the tech wreckage?

Though the bear market could worsen over the coming months, it's worth noting that many tech stocks have already crashed and burned — not corrected or plunged into a bear market but crashed, and violently. **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is down 80% from its all-time highs. That's exorbitant damage that may prove excessive if interest rates don't need to rise nearly as fast as the bond market is currently expecting.

Understandably, it's dangerous to catch a falling knife if you lack a backup plan. For young investors looking to the tech wreckage for potential opportunities, though, I think the following names are starting to enter more of [a value level](#). Yes, both names are lacking on the profitability front. However, as each firm continues innovating and pivoting in response to the macro environment, investors may be

discounting profits to be had in the future.

Lightspeed Commerce

Lightspeed is a point-of-sale (PoS) company that's also made strides in the realm of e-commerce. The company fell under the crosshairs of short-sellers last year, and since then, the stock has struggled to find its footing. With ex-CEO Dax Da Silva out and new CEO J.P. Chauvet at the helm, there's likely to be a tonne of change, as the company looks to move through one of the worst macro conditions in its history.

The macro headwinds themselves are bleak. However, the stock has already shed over 80% of its value in anticipation of a perfect storm of negatives. As the new CEO makes improvements and tries to get the stock back on the right track, I like the risk/reward scenario with shares just south of 10 times sales.

This isn't the first time LSPD stock imploded like this. The last time was in early 2020. The stock made a full recovery. This time around may be harder. Regardless, dip buyers may wish to give the name a second look if they seek relative value in the tech sector.

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