Canadian Investors: 1 Top Growth Stock That Could Take Off in 2023

Description

The growth trade has imploded significantly this year, with high-multiple speculative names taking the most damage. Indeed, they were also among the first to fold at the signs of higher interest rates. And although they will struggle to put in any sort of bottom until central banks are ready to take a less hawkish stance, I think that when the time comes, it's these imploded growth stocks that will lead the market recovery.

Undoubtedly, fast-falling knives can ricochet just as fast! And although it's dangerous to catch them, given most dip buyers have been quite unsuccessful thus far (with the exception of near-term traders who've timed their moves with perfection), I think that younger Canadian investors have a reason to nibble or dollar-cost average (DCA) into the battered, untouchable growth plays on the way down. Nobody wants to touch them with a barge pole these days.

Growth stocks in 2022 are like energy stocks in 2020

They seem to do nothing but fall further and further into the abyss. Some may view them as hard to value or even uninvestable. But that's exactly why I'd look to start doing at least some buying, as long as you've gone the long-term investment horizon and a stomach for losses. Indeed, if you expect losses with a DCA approach, you can nab a cost basis that's pretty good.

These days, the highest-growth stocks are akin to energy stocks in the early innings of 2020. They're in a no-fly zone. Few would dare get into them, given the 180-degree shift we witnessed in the back half of 2021. Rates are going up, and profits finally matter through the eyes of retail investors.

Back in 2020, when oil went negative for the first time in history, few had any reason to buy the dip in energy plays. Jim Cramer, who compared them to tobacco stocks, did not like them in the slightest when they were in the gutter. With nothing to look forward to amid crumbling demand, many gave up on the oil patch at the worst possible time. Fast forward to today, and oil is in an incredible bull market. The bears have turned bullish on energy, and it's one of the only places to make money in this pseudo-stagflationary world.

While it'll probably take more than a year or two for unprofitable tech to heat up, it's important to remember that sometimes it takes a true contrarian to unlock the most value from severe crashes.

Lightspeed Commerce stock: A top growth buy?

Currently, **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD) stands out as an intriguing buy on the dip after falling more than 80% from peak to trough. The point-of-sale and e-commerce firm has struggled as retail ground to a halt. Indeed, the company had to fight off the shorts, while dealing with a big change in the c-suite.

With a new CEO in JP Chauvet and plans to target 35-40% in organic growth for fiscal year 2023, it's hard to stay on the sidelines. Eventually, the economic headwinds will pass, and it'll be off to the races for the e-commerce darlings again. Though Lightspeed stock may not have hit bottom, it's certainly closer to a bottom than it was earlier this year. That alone makes the name worthy of a nibble for those who have a long-term mindset.

At writing, the stock trades at 7.2 times sales. That's not at all pricey, given the growth to be had over the next decade. As the firm runs into hard times, expect management to keep making deals to better position itself for the next bull run.

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Date
2025/07/21
Date Created
2022/06/12
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