



1 TSX Tech Stock to Buy Today and Forget for the Next 5 Years

Description

Most [tech stocks](#) on the **TSX** have seen big falls in 2022 so far. While signs of easing inflationary pressures and expectations of a better-than-expected economic outlook are helping stocks recover lately, many quality tech stocks still continue to trade deep in the red territory.

Tech stocks and the ongoing economic uncertainties

Given continued economic uncertainties, many beaten-down stocks — especially from the tech sector — might remain highly volatile in the near term. Nonetheless, some of these stocks with a strong long-term growth outlook have the potential to yield outstanding returns on your investments. Let's take a closer look at one such tech stock that witnessed a massive crash on Tuesday last week after reporting its latest quarterly results. I'll explain why I find it worth buying today and forget for at least the next five years.

My favourite tech stock to buy now

Shares of popular Canadian tech companies like **Shopify** and **Lightspeed** are currently trading with big year-to-date losses. While Shopify has lost more than 70% of its value in 2022, Lightspeed stock is currently down by more than 45% year to date. Based on the chances of a sharp recovery in the near term, however, I find **Nuvei's** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock even more attractive. It currently trades with 42% year-to-date losses at \$48 per share.

On August 9, Nuvei, which is a Canadian technology company with its main focus on providing digital payment solutions across the globe, reported its better-than-expected latest quarterly earnings. But its stock tanked by more than 21% that day. Let's find out why.

Why this stock fell, despite better-than-expected earnings

During the June quarter, Nuvei's adjusted net profit rose 15.7% year over year to US\$74.7 million,

despite facing large currency headwinds. Its quarterly profit figure also exceeded analysts' estimate of around US\$69.4 million. However, one key factor responsible for triggering the massive selloff in its stock after its earnings event could be its management's decision to trim the financial growth outlook for the second half of the year.

The management [cited](#) currency headwinds, highly volatile cryptocurrencies, and a more cautious view of the macroeconomic environment as three main reasons for downgrading the outlook for the remainder of the year.

What could help it recover

All the three reasons given by Nuvei's management for cutting the outlook for the second half of 2022 are temporary. It implies that these factors might not have a major impact on the company's business outlook in the medium to long run, as the demand for its innovative and easy-to-integrate payment solutions remain high. That's why the recent crash in this tech stock has clearly made it look way too oversold; it could rally sharply in the coming weeks, as the economic outlook continues to improve.

Moreover, the growing adaptation of digital commerce is likely to further increase the demand for Nuvei's payment technology in the coming years, I believe. With this, its stock could continue soaring in the long run. That's why you may consider buying it today to hold it at least for the next five years.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:NVEI (Nuvei Corporation)

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