TFSA Investors: 1 Beaten-Up Growth Stock to Buy in Mid-September

Description

TFSA investors shouldn't fret over the recent inflation-fuelled market hailstorm. Though Tuesday's U.S. CPI report sent the broader markets nosediving on what was the worst day of the month so far, the second half of September and final quarter of the year may not be as ugly as investors expect. Indeed, one mild CPI number miss is nothing to get frightened over. July's inflation report was slightly better than expected, helping fuel a rapid melt-up that proved short-lived, as hawkish Fed comments weighed on investor sentiment.

Undoubtedly, the tiniest beat or miss on CPI is likely to have a huge material impact on the stock market. Just as investors got over-bullish on the July beat, they got too panicky over the August miss. September's CPI numbers could go either way. But if I were to place a bet, I'd be more willing to bet that the odds of much better-than-expected inflation is higher than much worse inflation. Indeed, rate hikes take time to work their way through markets. And September's CPI may not be the report that sends markets flying higher again.

Don't overreact to one single CPI report!

In any case, I do think inflation has peaked. And though it could stay hotter for longer, one has to think that continuously falling commodity prices, waning investor sentiment, market damage, and higher rates will work their way into the inflation number. Nobody knows when inflation will cool off, but I do think investors should find comfort in the Fed.

They're taking inflation seriously and won't back down until it's gone. Yes, higher rates are bad news for stock markets. However, for the longer-term health of the economy, inflation needs to be dragged lower. We may not need 2% (or less) on inflation, but don't expect a Fed pivot unless markets are in turmoil.

After the inflation-induced bloodbath, it seems wise to start doing some buying.

Lightspeed Commerce: Way oversold

Lightspeed Commerce (TSX:LSPD)(NYSE:LSPD) took a major uppercut on the chin on Tuesday, falling around 8%. Lightspeed shares are down 84% over the past year and nearly 85% from all-time highs. Undoubtedly, Lightspeed was one of the high-tech speculative stocks that were caught in the crosshairs of the brutal rate-induced tech wreck.

Looking ahead, Lightspeed is slated to launch its new Lightspeed Restaurant software in Australia to help hospitality firms recover from the COVID crisis. Indeed, Australia is a compelling growth market that could help Lightspeed move its revenues higher again.

At writing, the stock trades at 5.1 times price-to-sales (P/S), making it much cheaper than many of today's so-called "value" stocks. Lightspeed's P/S is also much lower than the industry average P/S of 8.2 times.

Indeed, pushing toward profitability could prove difficult over the medium term, as the firm continues focusing on driving sales and winning over new clients. In a higher-rate world, such growth will be viewed in a negative light. After such a vicious 85% flop, though, I do think the lack of profits is more than baked in.

In the last quarter, Lightspeed's cash hoard grew to $885 million. With such a substantial sum, Lightspeed could go bargain-hunting in the payments and PoS space.

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