



## Why Shopify Stock and Other Tech Stocks Jumped on Tuesday

### Description

Shares of **Shopify** ([TSX:SHOP](#)) jumped 13.8% on Tuesday before coming down slightly in this already crazy first week of October. Shopify stock wasn't the only one to see growth, however.

Tech stocks in general saw a bit a [recovery](#), as positivity towards the market led to some investors showing interest in growth stocks right now.

### Why the jump?

Investors have pretty much long ignored [tech stocks](#) over the last year or so. After the TSX dropped about 13% year to date and 17% from 52-week highs in the last weeks of September, there was a recovery this week. This led to the TSX only being down by about 6% year to date, signaling that perhaps it's time to look at growth stocks once more.

Other companies that also saw a rebound were **Lightspeed Commerce** ([TSX:LSPD](#)), which was up by 9.8% on Tuesday. And to be honest, it might be where investors should be focusing their attention, despite the recent moves from Shopify stock.

### Shopify stock or Lightspeed?

Shopify stock climbed significantly, it's true. But it seems like this was more to do with overall market sentiment rather than news from the e-commerce company itself. After all, the company has been hit by quite a few problems over the last few months.

Some of these include ridding itself of two executives, announcing a new payment plan for employees, and letting go about 1,000 employees. It's hoped that this means in the near future we're going to look forward to growth once more. But it's not a certainty. That's especially with the potential for a recession coming in 2023.

Then there's Lightspeed stock, which has also had its fair amount of trouble. In this case, it comes

down to a short-seller report that led to the drop of the chief executive officer. It also led many to question the over US\$2 billion in acquisitions the company made as shares dropped lower and lower.

## So, which one?

Shopify stock has yet to completely correct from the jump on Tuesday. And it's unclear whether that will happen or not, but it's mainly dependent on investor sentiment rather than anything the stock is doing.

Lightspeed stock, meanwhile, has corrected quite a bit, down 3% from Tuesday's share price at the time of writing this article. Yet this is where I believe investors have more of an opportunity.

This comes from Lightspeed stock and its potential for growth. The company is growing in both e-commerce and its point-of-sale system. Further, those acquisitions are now up and running, amounting to a huge increase in revenue.

Plus, frankly it doesn't have the popularity of Shopify stock. This means it's also less subjected to the ebbs and flows of the market. Finally, Lightspeed stock *does* have some good news, which includes a new chief product and technology officer coming in from **Alphabet**.

## Bottom line

Shopify stock had a huge jump, but I worry that it's due for another fall especially over the next year. So, if you're looking for a short-term buy, I'd be concerned about this one. But that's not to say it's not a great long-term hold at these prices.

If you are looking for growth, then Lightspeed stock might be the better choice. It's bound for a bit more stable growth in the next year but also well beyond.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred

6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

## PP NOTIFY USER

1. alegatewolf
2. kduncombe

## Category

1. Investing
2. Tech Stocks

## Date

2025/08/26

## Date Created

2022/10/05

## Author

alegatewolf

default watermark

default watermark