



## 2 Growth Stocks to Buy with Just \$500

### Description

Amid rising inflation, the U.S. Federal Reserve has raised interest rates three times this year, thus increasing the benchmark interest rate to 3% – 3.25%. Meanwhile, the central bank has warned of further rate hikes and projects the benchmark interest rate to reach 4.6% in 2023.

The rising interest rates have led to a sharp correction in [growth stocks](#). These companies require higher capital to fund their growth initiatives. So, investors are concerned that rising interest rates will increase their borrowing costs, thus hurting their margins.

However, significant selling has created a buying opportunity for high risk-tolerant investors in the following two [tech stocks](#). I believe investing a small amount of around \$500 in these two stocks is a sound strategy.

### Lightspeed Commerce

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is a technology company that provides point-of-sale and e-commerce software solutions to small and medium-scale businesses across multiple industries. Given its omnichannel solutions, the company is benefiting from the reopening of the economy.

In the June-ending quarter, the company's revenue grew by 50%, thanks to an expanding customer base and growing average revenue per user (ARPU). It added 3,000 new customer locations during the quarter while increasing its ARPU by 39%. However, the company's net losses rose from \$49.3 million to \$100.8 million, making investors nervous.

Amid the net losses and weakening economic outlook, the company has witnessed substantial selling over the past few months. It currently trades at a discount of around 80% from its 52-week high. The steep correction has dragged its valuation down to attractive levels, with its NTM (next 12 months) price-to-sales multiple standing at 3.3, lower than its historical average.

Meanwhile, Lightspeed Commerce focuses on launching innovative products and expanding its

presence in new markets. Its diversified product offerings and the growing addressable market could support its growth in the coming years.

Besides, the company earns around 95% of its revenue from recurring sources, which provides stability to its financials. Also, the company's management is hopeful it will attain breakeven in fiscal 2024, which is encouraging. So, I expect Lightspeed Commerce to deliver superior returns over the next three years.

## BlackBerry

Another stock that has witnessed substantial selling is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), which has lost 60% of its stock value compared to its November highs. However, the company reported a solid second-quarter performance last month, outperforming analysts' expectations. It posted a revenue of US\$168 million, beating analysts' expectations of US\$165.8 million. Its adjusted net loss stood at US\$0.05 per share against analysts' expectations of US\$0.07.

These gains were largely due to BB's strong performance from its IoT (internet of things) vertical, which posted revenue growth of 28%. Meanwhile, the company's revenue from cybersecurity solutions declined by 8%. However, BB secured business from government and financial services during the quarter, which could further drive growth.

The company also secured significant design wins with high-ticket customers, such as Volkswagen, PATEO, and Hozon Auto. Plus, BlackBerry's IVY, an intelligent vehicle data platform, could be a solid growth driver as the world moves towards smart mobility solutions. So, BB's growth potential looks solid.

Considering its discounted stock price and high-growth potential, I believe BlackBerry would be an excellent addition to your [long-term portfolio](#).

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:BB (BlackBerry)
4. TSX:LSPD (Lightspeed Commerce)

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