



## Has Lightspeed Stock Hit Market Bottom?

### Description

I never like to recommend that investors wait for a market bottom to invest in a stock. What it should always come down to is whether the company is strong enough to succeed in the long term. In that frame of mind, it really shouldn't matter when you buy the stock, as it should continue to rise.

Yet it cannot be helped if we look at a company like **Lightspeed Commerce** ([TSX:LSPD](#)) today and wonder if now is when we should buy. Perhaps we'll look back and think, "Yep, that was the market bottom."

So, is it?

## Lightspeed stock performance this year hasn't been great

Lightspeed stock has been falling since September 2021. This came after the tech stock was rocked by a short-seller report, sending shares down 30% in just a day from all-time highs. Management came out directly negating the news that its numbers were "smoke and mirrors." But it turns out, that was only the beginning.

Lightspeed stock only continued to fall further in the next few months. Another covid variant came out that made consumers worried about the holiday season. Then the word *recession* started to creep into our minds. This led to a selloff in the booming [tech industry](#), as investors worried they'd lose their returns.

The fall has yet to stop. Lightspeed stock is now down almost 84% from all-time highs. In the last year alone, shares are still down about 49%. But in the last few months, there's been a shift.

## What kind of shift?

If we look at Lightspeed stock and its performance over the last few months, something has changed. The stock seems to have bottomed out in May. Since then, shares are up 28% as of writing. Granted, it

absolutely has not been a smooth ride. Even still, there has been a bit of a yoyo, and that, to me, is positive.

Why? Compare Lightspeed stock to other companies. Other companies in the tech sector continue to fall further and further. There really isn't any type of stabilizing or increase going on. Yet for Lightspeed stock, there is. So ... what gives?

## It's all coming together

Lightspeed stock gained prominence when it came on the market as a point-of-sale system. However, the pandemic led to the closure of retail and restaurants and the in-store purchases that came with them. It then offered e-commerce solutions for businesses around the world. Further, before the tech stock crash, it made over US\$2 billion in acquisitions.

Now, everything is coming together. After these major falls, there are certainly some positives coming up for Lightspeed stock. The end of pandemic restrictions has meant in-store dining and retail sales. And while e-commerce is down, it's certainly not out. Plus, all the company's acquisitions are coming online one after another. This has led to a major increase in revenue.

## Is it at a market bottom?

[Tech stocks](#) in general continue to fall. Yet for the last few months, Lightspeed stock seems to have levelled out. Because of this, we could indeed be near the market bottom. However, I'll still offer some words of warning.

In the next few months, Lightspeed stock could see a boost with the holiday season. However, it could then fall with a recession in Canada and the United States. So, it may indeed get worse before it gets better.

Yet, as I said, if you're interested in Lightspeed stock, then I would buy only if you're going to hold it for a long time — years, not a few months. And in that case, Lightspeed stock is certainly a great option.

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2. Tech Stocks

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