



## Your Future Self Will Thank You for Buying Lightspeed Stock in 2023

### Description

Shares of **Lightspeed Commerce** ([TSX:LSPD](#)) have started 2023 on a solid note as investors' high hopes from the upcoming tech sector earnings have led to renewed buying in [high-growth stocks](#). Notably, LSPD stock has inched up 26.3% in the first four weeks of the new year after losing nearly 62% of its value in 2022.

Before I highlight some reasons that make Lightspeed stock worth buying in 2023, let's take a closer look at some key factors that have affected its share price movement in the last few quarters.

### LSPD stock nosedived in 2022

A massive selloff in Lightspeed stock started in September 2021 after a New York-based short seller Spruce Point Capital made several vague allegations about the Canadian tech firm's business practices. While Spruce Point's report didn't change Street analysts' outlook, it seemingly badly hurt retail investors' sentiments and led to a massive decline in LSPD's share prices. The short report was the main reason why the stock tanked by 58.2% in the quarter ended in December 2021.

At the start of 2022, most growth stocks started sinking as high inflationary pressures raised the possibility of aggressive interest rate hikes. Continued supply chain disruptions and concerns about slowing global economic growth worsened the situation for [tech stocks](#) further. As a result, Lightspeed stock remained under pressure throughout 2022, witnessing 62% value erosion during the year.

### Can Lightspeed stock recover in 2023?

In the quarter ended in September 2022, Lightspeed [reported](#) 37.9% YoY (year-over-year) sales growth to US\$183.7 million, despite facing foreign exchange headwinds and a challenging macroeconomic environment. Similarly, its adjusted quarterly net loss reduced to US\$7.5 million from US\$11.1 million per share a year ago. In its quarterly earnings report, the Canadian software company also highlighted that the demand for its cloud-based commerce platform remains strong even amid a tough economic environment.

Lightspeed is set to release its December quarter earnings later this week on Thursday. For the quarter, Street analysts expect the firm to continue reporting strong double-digit sales growth with a YoY improvement in its bottom line.

Moreover, stable demand and Lightspeed's continued focus on strategic acquisition could help it maintain strong financial growth trends in the coming years. Given these expectations of consistent strength in its financial growth trends, I expect LSPD stock to continue soaring in 2023 and beyond.

## Bottom line

As I noted above, macroeconomic concerns like high inflationary pressures and aggressive interest rate hikes have been among the main reasons driving a massive selloff in tech stocks. However, inflation data in the United States and Canada have shown signs of easing in recent months, increasing the chances of less-aggressive rate hikes in the near term. These positive factors have already helped LSPD stock recover by more than 30% in the last month.

If these positive trends in macroeconomic indicators continue, renewed buying in growth stocks may pick up pace in the coming months and intensify the recovery in fundamentally strong stocks like Lightspeed. That said, investors must avoid investing a large portion of their portfolio in a single stock to minimize their risks, no matter how fundamentally strong it looks at the time of investing.

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