



My Top Canadian Tech Pick for 2017

Description

For most Canadian investors, it can be difficult to find a high-growth tech name on the TSX. There's simply not enough choice out there, and most of us opt to look for such names south of the border. There are terrific high-flying tech stocks in the U.S., but with the Canadian dollar at such a low point, does it really make sense to convert your hard-earned money into greenbacks for an abysmal rate?

It does make sense in some instances, but the average investor must make that judgment for themselves. If an opportunity presents itself such that there's a significant margin of safety and the potential upside is huge, then it would make sense to make the conversion at almost any rate. However, most Canadians would probably prefer to stay invested in Canadian stocks since there are many advantages of doing so.

Fortunately, there is a terrific tech stock that offers huge growth potential, and it's available on the TSX. **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a Canadian multi-channel e-commerce platform built for small- and medium-sized businesses. There are over 300,000 merchants using the service, and this number is growing very fast.

Warren Buffett used to hate high-flying tech stocks because the business changed too fast and was unpredictable in nature. He preferred stocks that had simple business models which were unlikely to see significant changes over the course of the very long run.

Shopify is one of the few tech stocks that has a simple business model that can be scaled up without huge changes to the company's business model over time. The company makes money through its subscription fees and doesn't force its customers into long-term contracts. There are monthly options, and subscribers could leave suddenly without notice. But won't this affect the company's predicted revenue stream?

The company invests heavily in R&D with the hopes of keeping its platform head and shoulders above its competition. The competitive edge that Shopify has is the quality of the platform itself, which has received rave reviews from its subscribers. As long as its merchants are happy, they will continue to renew their subscriptions. Shopify is pushing hard to keep its platform competitive, and it looks like the

company is already off to a flying start.

Shopify recently announced a partnership with **Amazon.com, Inc.**, where Shopify users can get their products listed on Amazon through the Shopify platform. This move will make the lives of its merchants even easier, especially considering many Shopify users are already selling their products on Amazon as well. This partnership works out very well for the merchants and will most likely be a catalyst for subscriber growth over the next year.

If you're looking for a terrific tech stock without having to look south of the border, then look no further than Shopify. The stock enjoyed a 62% rally last year, but I believe there's still room to run in 2017.

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