



Shopify Inc. Shares Have Doubled in 2017: Time to Sell or Buy More?

Description

Since its initial public offering (IPO) at \$17 per share in May 2015, investors who were lucky enough to snap up those first few shares of **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) can probably afford to “shop ‘til they drop,” as the stock has climbed more than four-fold since then.

That includes a “one-bagger” in 2017 alone, as SHOP stock has risen from \$40 in January to Friday’s closing price of \$94.

Whether you have been watching this incredible ascent on the sidelines or stuffing profits into your pockets, the question many investors are likely asking themselves right now is, “Is it time to buy more and load up, or is it time to cash in those profits?”

Taking advantage of the rise in e-commerce

Shopify is a major player in the rapidly emerging e-commerce space.

In case you’ve been living under a rock for the past 10 years, e-commerce is becoming a big deal.

Former industry titans like **Kohl’s Corporation**, **Bed Bath & Beyond Inc.**, and even the biggest of them all, **Wal-Mart Stores Inc.** are fighting tooth and nail right now to defend their market share against online competition.

While this undoubtedly presents a whole host of problems for the brick-and-mortar “dinosaurs,” the emerging viability of e-commerce as a marketing platform is creating a huge window of opportunity for online entrepreneurs.

Analysts estimate that global e-commerce sales will reach \$1.9 trillion this year, and that the market is expected to grow by double digits, hitting \$4 trillion by the end of the decade.

Meanwhile, Shopify and its shareholders are in a great position to capitalize on this potential.

Shopify offers would-be and existing online entrepreneurs ongoing support in navigating the online

shopping experience from designing the “virtual” store, to marketing, payments processing, and even order fulfillment.

The company has seen this strategy translate into huge success as well. In each of the past four years, the company has managed to double its annual revenue total or come very close to achieving that mark.

Now might be a good time to add it

But while the company has seen momentum in its business model, investors have also been seeing momentum in the company’s share price.

This bodes well for investors as the “momentum” factor is increasingly being adopted into financial models and algorithms used to predict a company’s share price.

While shares have leveled off somewhat since May, SHOP stock is still well above its 200-day moving average, which is viewed as a “bullish” indicator by market technicians.

The recent pullback, or consolidation, may actually present as an opportune time to pick up the shares at a relative discount.

Maybe it’s time to go SHOP-ping for shares in Shopify Inc.

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