



## Canopy Growth Corp. vs. Shopify Inc.: Which Stock Offers Better Value in 2018?

### Description

Investors who'd bought **Canopy Growth Corp.** ([TSX:WEED](#)) and **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) stocks in 2017 made a killing.

Both stocks delivered returns that were hard to believe when the year started. Canopy and Shopify have nothing in common as far as their businesses are concerned, but when you look up their price charts, both stocks are up ~130% for the year.

After making these massive gains, the biggest question in investors mind is, will this party continue in 2018? Let's find out.

### Canopy

Canopy has been the [favourite stock](#) in the marijuana sector on expectations that the company, through its aggressive deal making, has positioned itself to take advantage of the opening of the recreational market in Canada this summer.

As the federal legalization of recreational cannabis nears, Canopy is expanding its growing capabilities fast. According to GMP Securities analyst Martin Landry, Canopy will have the "largest inventory available" when the recreational market is ready. Canopy is the "best positioned LP to make the transition from the medical to the recreational market," according to Landry.

As a result of its relentless growth this year, Canopy has become the first cannabis company to be added to the S&P/TSX Composite Index, as its market capitalization swelled to \$4.06 billion at the time of writing.

Due to its leading position, Canopy is the safest bet in 2018 for investors who want to pick a top growth stock for their portfolios.

### Shopify

This year was a tough one for Shopify's management, as it had to defend the company from an attack

by the founder of Citron Research, Andrew Left, who accused this e-commerce platform provider of using deceptive business practices. Shopify's stock tumbled from an all-time high in early October, falling 23% in one week as investors moved to the sidelines.

But in later months, [Shopify stock](#) had recovered most of its losses. And it seems it's well on track to unlock the future growth, as demand for its services continues to remain strong.

In the most recent quarter, Shopify reported a 72% jump in revenues, beating analyst estimates for the 10th consecutive quarter. Revenue rose to \$171.5 million for its third quarter, above the analyst consensus forecast of \$166 million, led by strong growth in monthly recurring revenue.

A record number of merchants signed on with Shopify, the company said, boosting its subscription revenue 65% to \$82.4 million.

This stellar sale performance helped the company to narrow its loss to \$9.4 million, or \$0.09 a share, compared with \$9.1 million, or \$0.11 cents a year earlier.

### **The bottom line**

Both Canopy and Shopify are well positioned to continue with their impressive growth performance in 2018. There is no reason to believe that those growth drivers that supported these companies this year will vanish going forward.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)
3. TSX:WEED (Canopy Growth)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### **Category**

1. Investing

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