



Is Shopify Inc. (TSX:SHOP) the Best +\$100 Stock on the TSX?

Description

Is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) having a good year on the TSX or what? Up 58% year to date through October 2, there are very few TSX stocks on this kind of roll.

Out of 222 TSX stocks with a market cap of more than \$1 billion, Shopify has the eighth best YTD return of the bunch. Simply amazing.

However, what I'm most excited about is the fact a year ago September, I made Shopify my number one pick of TSX stocks trading at \$100 or higher.

My argument was simple

I had personally seen the success of a local Toronto provider of prepared meals delivered to my door each week. It relied on the Shopify platform to keep its business humming along.

"Here in Toronto, I order a weekly vegetarian meal plan through Green Zebra Kitchens. Right there on the bottom of the shopping cart are the words 'Powered by Shopify,'" I [wrote](#).

"If you can only buy one \$100 stock, Shopify is it."

Of the three \$100+ stocks I recommended, Shopify delivered 42% over a little more than a year, **Dollarama**, my second pick, lost 12% (a big shocker), and my third pick, **Economic Investment Trust** — a wildcard, I'll admit — is flat.

Shopify is clearly the star among my three \$100 stock picks.

But what about the 13 other \$100 TSX stocks with market caps of \$1 billion? Is Shopify better than all of them?

Here are two I think could give it a run for its money over the next year.

Software and the home

My first pick is **Constellation Software** ([TSX:CSU](#)), the secretive software company that's grown tremendously over the last decade through a slew of acquisitions. It buys companies in areas it thinks

will add to recurring revenue, integrates them quickly, and then boosts their profitability.

In July, it [corrected](#) by over 10% due to an earnings miss and has gone sideways ever since. I would buy some now and wait for investors to have another adverse reaction to an earnings report, and buy some more.

As Canadian tech stocks go, it's in the top three.

My second pick is **FirstService** ([TSX:FSV](#))([NASDAQ:FSV](#)), a company that manages residential properties across North America and also provides residential renovation services through well-known brands such as College Pro Painters and California Closets.

Back in [2015](#), it was spun off into its own independent, public company, separated from **Colliers International** ([TSX:CIGI](#))([NASDAQ:CIGI](#)), one of the world's largest commercial real estate brokers.

Both stocks have done well. I'd recommend both, but Colliers doesn't quite trade for \$100 — yet. If Shopify backs off a little in 2019, FSV could keep pace with the e-commerce phenom.

The bottom line on SHOP stock

Shopify will become profitable at some point in the future, and when that happens, SHOP stock will likely be at \$500 or more.

I don't think there's any doubt that Shopify is one of the best growth stories on the TSX. Over \$100, it is *the* best growth story in Canada.

CATEGORY

1. Investing

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:CIGI (Colliers International Group)
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