



## Could Shopify Inc. (TSX:SHOP) Stock Be a Winning Bet in 2019?

### Description

After a big correction in technology stocks in 2018, it's the time to consider which top player is well positioned to outperform the market in 2019. From Canada, [Shopify \(TSX:SHOP\)\(NYSE:SHOP\)](#) is one such stock that you should definitely consider.

Before we discuss the merits and demerits of investing in this e-commerce platform provider, let's try to get a sense of what's pressuring technology stocks in general. After almost a decade-long bull run, equity markets are going through a major correction that many analysts feared would come at some point.

This sell-off is led by the same technology stocks that fueled this unprecedented boom by some standards. Since mid-October, almost all the big names have given up most of the gains they made in 2018, as investors fled high-growth segment of the market on concerns that the U.S.-China trade war, rising interest rates, and the cost pressures in the economy that will make it difficult for companies such as Shopify to continue to grow.

So, that's the macro backdrop in which you will be making a decision of picking a beaten-down stock or staying on the sidelines.

Despite this downturn, which kept Shopify stock highly volatile during the past year, investors in this highly innovative company are still making a 30% return in 2018 so far. That return is still great if you compare it with some tech titans, such as **Amazon** stock, which is up 17% for the year.

Going forward, I believe [Shopify is in a great position](#) to beat other tech stocks and produce superior returns. The biggest evidence that supports this bullish view comes from the company's strong earnings momentum. Despite skeptics raising doubts about the company's long-term potential to generate massive growth in its revenue, Shopify continues to surprise.

Despite short-term concerns about the global growth and other political noise, the reality is that e-commerce is one area of the digital economy that will continue to grow. Shopify's platform has been designed to help small- and medium-sized businesses globally. And we haven't yet seen a competitor who could pose a serious challenge to Shopify's global dominance.

## Bottom line

No doubt, next year is going to be much more tougher for growth companies if macro risks continue to linger and the global economy takes a breather. But if your investing horizon is longer and you want to buy and hold great e-commerce stock in your portfolio, then 2019 could provide you an opportunity to buy Shopify at a much lower price.

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