



A Hyper-Growth Stock for Future TFSA Millionaires

Description

So, you want to be a [TFSA millionaire](#)? If you're still a relatively young investor like a millennial who's decades away from the traditional retirement age of 65, not only do you have the potential to become a TFSA millionaire by the time you're a senior, but you could be sitting on a million bucks well before your 50th birthday if you've got a growth-oriented strategy.

I strongly encourage younger investors to opt for growth over "safer" fixed-income securities, which could severely dampen the powerful long-term effects of compounding. With a multi-decade time horizon, you can have the ability to weather any potential volatility storms that'll inevitably present themselves. The only question is whether you're willing to take the rockier road with the greater reward at the end.

If you are serious about amassing a \$1 million TFSA, it's in your best interest to inject some hyper-growth names like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) in your TFSA.

Shopify stock can't be kept down. It's been a major multi-bagger over the last few years. Although it's easy to dismiss the stock as something you'd missed, with a mere \$30 billion market cap, I'd say the company is still in the early innings of what could be one of the biggest growth stories of our era.

Not even the most infamous short-sellers in the world could hold the stock back; investors were quick to shrug off their allegations and broader market fears, as they furiously hit the buy button, driving the stock up nearly 60% from the December lows.

The stock has had a heck of a run, and that has many of us sitting on the sidelines praying for a pullback to 52-week lows. With all the innovation going on in the Ottawa-based e-commerce powerhouse, however, the case for getting a "somewhat reasonable" valuation at this juncture are next to none unless we fall into a recession.

Not just the hottest tech play in Canada

For many Canadians, Shopify is the one-stop shop for all the hottest trends in tech: e-commerce,

artificial intelligence, augmented reality, digital payments, and the like.

With all the innovation going on behind the scenes, it's apparent to many analysts that Shopify is outclassing its peers in Silicon Valley. As such, the price of admission to the Shopify show has continued to increase as our American friends have now been expressing their excitement with the Canadian growth sensation, despite the extensive number of domestic hyper-growth options on the NASDAQ.

Shopify stock is [ridiculously expensive](#), but it's probably going to become even more costly in time. And if you're a value-conscious investor, it's tough to justify putting down money with shares trading at over 20 times sales and 11 times book. The valuation makes me cringe, but then again, you are paying for one of the premier tech stocks, not just in Canada but the world.

As much as I love Shopify's growth story and the "sci-fi-like" innovations it's been working on, I'd continue to urge investors to wait for a pullback. If you believe a recession is on the horizon, churn could become a significant issue, and I'd look to the \$200 level as a potential entry point. However, if you're not buying all the recession chatter, it may make sense to get a bit of skin in the game today, despite the frothy price tag.

Foolish takeaway on Shopify

Shopify's top-line growth is trending down each year, as you'd expect from such a hyper-growth company. But on the plus side, the company is inching closer and closer towards sustained profitability, and as merchants get hooked on Shopify's innovative new offerings, I see the potential for **Netflix**-like price hikes that could bolster the bottom line and help Shopify invest in more R&D for further value-added services. In such a scenario, Shopify could still double many times over from here.

If you're looking for a stock to propel you to the \$1 million TFSA mark, Shopify could provide you with the jolt your portfolio needs. Nibble away at shares incrementally though, preferably on dips.

Stay hungry. Stay Foolish.

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1. Editor's Choice

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