



2 Stocks That Have Been Hotter Than Shopify (TSX:SHOP) in 2019

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) has been one of the best buys on the TSX this year, more than doubling since the start of January. The stock has recently reached another milestone, climbing over the \$500 mark as it continues to cement itself as one of best and largest stocks on Canada's top exchange.

There's still the [potential for the stock to climb higher](#), but admittedly, it may be starting to run out of room to do so. However, it's hard to doubt the stock, as Shopify has continued to prove [naysayers](#) wrong. What investors may be surprised to learn is that although Shopify has performed so well this year, there are a couple of stocks that have done even better.

Lightspeed POS ([TSX:LSPD](#)) hasn't even been listed on the TSX for the full year, and its returns are sitting at over 214%, notably higher than the 169% that Shopify has generated since the beginning of the year. Lightspeed has become the hottest new stock on the TSX.

What's interesting is that like Shopify, Lightspeed offers solutions for merchants and retailers with point-of-sale systems as well as the ability to create a web store online — something that Shopify has specialized in.

It could be that investors in Shopify have seen some parallels between the two companies and may be looking at Lightspeed as the next big tech stock to follow in its footsteps. At a market cap of around \$3.7 billion, Lightspeed is still a small fraction of Shopify's valuation, which is now near \$60 billion.

Whether Lightspeed can continue outperforming Shopify, however, will depend on whether it will be able to produce strong growth numbers going forward. In its most recent quarter, Lightspeed saw its revenues rise by over 40%, which is impressive, but not quite as strong as Shopify's growth rate.

Real Matters ([TSX:REAL](#)) is another stock that has risen more than 200% this year. Another technology company, Real doesn't focus on providing solutions for merchants or vendors, but instead, for companies that operate in insurance and that lend money. Real helps companies with appraisals and inspections, which has become even more important now that real estate markets have become more volatile.

Real isn't a new hot stock like Lightspeed, and although its year-to-date results have been impressive, it's important to note that it's also a recovery from a significant crash that the stock was on prior to this year. During 2018, Real's stock had plummeted by nearly 70%, as the company had failed to show much progress on its financials. Sales were down in fiscal 2018, although Real did manage to shrink its losses.

This year, things have been better; in the company's most recent quarter, revenues were up 23% year over year. Real has now also turned a profit in four of its last six reporting periods. However, it may be a long shot for the stock to be able to continue on this trajectory, as it certainly hasn't performed as well as Lightspeed or Shopify have, and it's likely not going to see the same growth potential either.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:REAL (Real Matters Inc.)
4. TSX:SHOP (Shopify Inc.)

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