



## What Should You Do With Shopify Stocks?

### Description

After a major run over the last few months, investors are starting to get a sinking feeling about sinking **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) stocks. It appeared that the markets had had it with tech stocks, and Shopify was not immune to the plummet in share price.

After reaching about \$545 per share, the stock is now around \$400 as of writing. But does that mean you should sell and take your earnings before it's too late? Or should you buy up more of the stock before it rebounds yet again?

Both options are entirely up to you, but there are some things to consider before making your decision. First of all, if you're looking to get rich quick, now is not the time to buy Shopify.

At the beginning of the year, many investors saw their funds turn from a bit of cash to riches in a short time. But that was then, and this is now.

What's happening *now* is that Shopify is heading into a recession — territory the company has never had to manage before. Already the stock is proving to not be immune despite its stratospheric rise, but that doesn't mean it won't rebound when all is said in done. In fact, there's still a lot going for a stock like Shopify.

The company has produced earnings report after earnings report of positive numbers. Recurring revenue has increased again and again, with Shopify Plus creating recurring revenue that comes in on a yearly basis rather than monthly.

That means that even during a recession, larger enterprises can't just pull the revenue that contributes to Shopify's bottom line.

The company has also increased its 2019 prediction repeatedly, leading it to some major investments even with a recession looming ever-closer. Part of that reinvestment has been the Shopify Fulfillment Centres, where the e-commerce company is now directly taking on many of its largest competitors.

These fulfillment centres will allow clients and customers to ship and receive products sooner, putting

Shopify in a strong position for future growth.

Remember that this is still an incredibly young company. The [e-commerce industry](#) is trendy, but it's also new, and there is significant growth to be had in this industry over the next decade and beyond.

While some analysts still place Shopify stock as overvalued at the moment, others believe that Shopify is bound to hit those high share prices again — and likely a lot sooner than many would think.

So what should you do with Shopify stocks? If you have them, hold on. Don't let the markets sway you when Shopify has done literally nothing wrong to warrant such a drop in share price.

A recession will come and go, and Shopify stock will continue on its upward trajectory as long as management continues doing what they're doing.

If you don't have Shopify stock, it could be the time to buy. It's a volatile market to be sure, but I wouldn't try to time to market. If the stock is far below what it was a month ago, then buying now could still mean huge returns in the next few months. It'll just mean a lot of patience.

It can be frustrating, but look at what happened recently. Shares dropped below \$400 to around \$388 per share, and the next day were back above the \$400 mark as investors were still willing to take a chance on Shopify.

What this all means is there is a bright future for this company. So don't let the markets sway you. Instead, let Shopify be the one to tell you what futures lies ahead for the company. To many, it still looks quite bright.

## CATEGORY

1. Investing
2. Tech Stocks

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## Date

2025/07/26

**Date Created**

2019/09/27

**Author**

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