



## This Canadian Stock Is Set to Make Bank From Christmas Shopping

### Description

Christmas is here, and with it comes a big increase in consumer spending.

Last year, Christmas spending — including both gifts and travel — reached \$1,563 per Canadian family, according to a PwC study. That figure was up 3.7% from the year before.

This year, we may see another big uptick in the holiday shopping. While a recent Equifax report said that Canadians were *planning* on cutting back, we all know that planning isn't the same as doing. If we broaden our perspective to all of North America, Christmas spending appears to be on the rise, with last month's Black Friday having generated record revenue.

Notably, a huge percentage of Christmas shopping is now being done online, with e-commerce giants like **Amazon** raking in piles of cash from the trend. But Amazon isn't the only tech stock that's benefitting from the spending.

There's another lesser-known TSX stock that has been quietly building up its own e-commerce empire, one that's already powering billions in sales. This company is nowhere near the size of Amazon, but its reach is far bigger than its revenue, and it's still got a good ways to grow. If you'd bought its stock when it went public in 2015, you'd be up over 1,000% by now — and this year's Christmas shopping spree could send its shares even higher.

The name of the company?

### Shopify

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is an e-commerce company whose platform is used by 820,000 vendors worldwide. The company has been growing like a wildfire in recent years, thanks to steady adoption of its platform by big brands and celebrities. There are many self-hosted e-commerce platform for vendors to choose from. However, Shopify is stands out from the crowd thanks to its adoption by celebs like Justin Bieber and Adele, and brands like **Budweiser**.

Shopify is growing by leaps and bounds. While the company isn't yet consistently profitable, its [revenue is growing at 45% year over year](#). As an e-commerce platform that earns revenue from online sales, it stands to benefit big from Christmas shopping.

## Black Friday: An early indication

Shopify is well known for [live blogging its Black Friday sales](#), and it looks like this year was a winner.

During November's Black Friday weekend, Shopify vendors sold \$2.9 billion worth of goods, up from last year's \$1.8 billion. Over 25.5 million consumers bought from a Shopify vendor at some point, and at the peak of the frenzy, sales were coming in at \$1.5 million *per minute*.

These are encouraging numbers, and they point to the possibility of another blockbuster fourth quarter for SHOP.

## Is the stock a buy?

It's one thing to say that Shopify is poised to rake in big dollars from Christmas spending, but quite another to call its stock a buy.

Although Shopify is a high-growth company, its stock is quite expensive, trading at over 31 times sales. It would take quite a few more quarters of 45% year-over-year revenue growth to justify that kind of asking price. Then again, in the tech world, the excitement over soaring revenue can trump all other considerations, and it would be silly to count SHOP out just now.

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:SHOP (Shopify Inc.)

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