Worry-Free Retirement? Buy This Great TSX Growth Stock!

Description

Canadian big-name tech growth stocks are few and far between. Luckily, we have at least one such stock that hasn't just shown steep growth in the past, but could also continue to add shareholder wealth in the coming years.

While tech stocks aren't always at the top of the list when it comes to retirement investing on the **TSX**, this name should satisfy a mid-term growth strategy based on lower-risk assets.

Here's why **Shopify** (TSX:SHOP)(NYSE:SHOP) isn't like those other tech stocks that pitch and toss on the markets: Online shopping is a growth trend, and this name is a must-have when it comes to e-commerce exposure.

As a buy and hold stock worthy of a Registered Retirement Savings Plan (RRSP), or a supplementary mini-portfolio built into a Tax-Free Savings Account (TFSA), Shopify brings diversification and capital growth.

The answer — as always — is this: it depends. Why buy ahead of a market correction? Unlike some U.S. big name tech stocks, Shopify supports a recessionary portfolio building strategy.

While certain types of brick-and-mortar retail will remain essential for day-to-day societal functions, a migration to online transactions is likely to be driven by a recession, rather than hindered by it.

As a facilitator for the exodus of merchants into online stores, Shopify is without an equal on the TSX. While other Canadian tech can show stronger past performance in terms of positive momentum, Shopify stock supports a thesis built around recession-proofing with mid-term growth built in. The key here is diversification, and Shopify's versatile online platforming model offers this in spades.

As such, Shopify is a soft play on the play cannabis sector without any of the risk of an actual pot producer. It's also a play on consumer staples, and consumer discretionaries.

Lacking many of the risk-bearing overheads of high street stores, Shopify adds retail exposure to a diversified stock portfolio at much lower risk to the investor than a grocery store or luxury apparel retailer.

In fact, with over a million online vendors now using Shopify's platform, spread across 175 countries, the stock is a low exposure play on an extremely varied online marketplace that mirrors the global economy itself.

With revenue split between subscription and merchant solutions, Shopify has seen share price appreciation of almost 140% in the last 12 months.

Down 16% in the past five days, Shopify is decently valued. While bargain hunters may want to wait and see how much more can be knocked off its share price before jumping in, the market at the moment offers a clear opportunity for stacking Shopify shares in a TFSA or RRSP. With a better ticket price possibly on the way, investors may want to buy in increments rather than going all in.

The bottom line

With the coronavirus running rampant in the markets right now, any company that can offer remote business solutions is going to be a buy going forward.

For retirees looking for big-name capital gains to add to their tried-and-tested dividend stocks, Shopify is a popular pick for near-term growth potential.

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