



Market Rally: Shopify (TSX:SHOP) Will Become the Most Valuable TSX Stock

Description

Thanks to the market rally, **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)) is now one of the largest companies in Canada, with a market cap of \$105 billion. Only **Royal Bank of Canada** and **Toronto-Dominion Bank** are larger. Within months, we could see Shopify [leapfrog](#) those stocks to become the most valuable company in the country.

If you want to [take advantage](#) of the market rally, this is the perfect bet.

The lone wolf

The coronavirus crash caused nearly every stock to fall. From February 14 to March 20, Shopify stock shed one-third of its price, which represented more than \$10 billion in lost value.

Once the market rally began, however, shares *surged*. In 30 days, the stock price nearly doubled, repeatedly hitting all-time highs. Other stocks also rose during the upturn, but not as aggressively as this. When you look at recent stock market winners, Shopify sticks out like a sore thumb.

What caused Shopify's surge?

There's no doubt that the economy is reeling from the pandemic. Canada's economy in particular is set for a double-whammy, considering the oil crisis could soon add thousands to the unemployment rolls, not to mention billions in additional GDP losses.

But not all companies will be hurt. In fact, some will grow *stronger*. That's what the recent market rally showed.

Buy this market rally

Stock market indexes are off their lows, but a good portion of the gains have stemmed from a handful of companies. **Zoom Video Communications Inc** stock is a popular example, doubling in price since

the year began. The rapid rise in teleconferences has created a deluge of demand for its services.

Shopify is another stock that should ultimately benefit from the ongoing pandemic. Its e-commerce platform allows businesses around the world to create digital storefronts in minutes. Its integrated tools are largely considered the best available. Every day, thousands of new Shopify stores are launched.

The sudden decline in foot traffic at physical storefronts has created a surge of demand for e-commerce. Think about your own purchasing habits. How many times have you gone to a retail store in recent weeks? Are they even open for business? Your digital consumption, meanwhile, likely continues uninterrupted. In fact, many consumers are setting new records for online orders.

By enabling brick-and-mortar businesses to quickly and easily launch digital storefronts, Shopify has a first-row ticket to this newfound opportunity. More online businesses may be created in 2020 than any other year in history. This is why shares nearly doubled during the latest market rally.

Shopify stock could continue to rise even if the market rally loses steam. While consumer spending may fall, if more of those dollars shift to digital, the company should still experience sales growth.

Trading at 44 times sales, Shopify is hardly a “cheap” stock. But there’s no arguing that the company is pioneering a new age of e-commerce, an opportunity that should persist for a decade to come. If you want to capitalize on the market rally and place a long-term bet at the same time, Shopify shares are a perfect match.

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2. Tech Stocks

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