



2 Canadian Stocks That Could Be Worth \$200 Billion in No Time

Description

There are a few high-quality Canadian businesses that continue to increase in value over time. While economic downturns or stock market corrections are an inevitable part of this growth, these Canadian companies have proven that they can stand the test of time and make money for their investors.

Despite changing business landscapes, these companies continue to evolve and have been able to create a solid customer base that [helps them thrive for a very long period](#).

Here are two such high-quality Canadian businesses that could continue to grow at a rapid pace that could reach \$200 billion valuation in no time.

Shopify

With a market cap of \$149 billion, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is Canada's largest publicly traded company. Like me, most of you would've heard many times that the rally in Shopify stock is over. However, I don't believe that's going to happen any time soon.

Shopify has ample catalysts that could help it to sustain the bull run and could become Canada's first company to reach a \$200 billion valuation in no time.

As online activities rise in North America and other parts of the world, Shopify is likely to benefit significantly. The company is already witnessing a surge in traffic on its platform as small- and medium-sized businesses are rapidly shifting online to meet the growing customer demand.

The sizeable shift to online should serve as a long-term tailwind for the company by driving traffic, revenues, and market share.

Shopify is adding new sales channels through partnerships with leading companies and has streamlined the onboarding process on its platform. Further, innovation, expansion of high-margin products like Shopify shipping and capital augur well for future growth.

Shopify's growing merchant base and sustained demand indicate that it could become the first Canadian company to reach a \$200 billion valuation. Its stock is a must-have in your portfolio, and over time, its value is only expected to climb higher.

Shopify is slated to report its Q2 numbers on [July 29](#), and I expect the company to post strong top-line growth led by higher traffic.

Royal Bank of Canada

Canada's banking major, **Royal Bank of Canada's** ([TSX:RY](#))([NYSE:RY](#)) is another company with strong growth potential to reach a \$200 billion valuation soon. Its ability to drive its loans and deposits and cost-control measures should help the bank to navigate the current low-interest-rate environment with ease and continue to cushion its pre-provision, pre-tax earnings.

The reopening of the economy and increase in business activity is likely to support the Royal Bank of Canada's credit offtake and deposits. Meanwhile, an improved efficiency ratio should support earnings.

In the most recent quarter, Royal Bank of Canada's loans grew by 10%, while its deposits increased by 17%. The bank is well capitalized with a CET1 ratio of 11.7%.

The record low-interest-rate environment could decelerate the pace of growth for Royal Bank of Canada in the near-term, its strong competitive positioning and diversified asset base should drive its value over time.

The bank should perform pretty well once the economy recovers and continue to make money for its investors.

CATEGORY

1. Bank Stocks
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:RY (Royal Bank of Canada)
4. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Bank Stocks
2. Tech Stocks

Date

2025/08/27

Date Created

2020/07/27

Author

snahata

default watermark

default watermark