



## Forget Bitcoin: Shopify (TSX:SHOP) Is a Far Better High-Upside Bet!

### Description

Bitcoin just had another big rally, with the cryptocurrency exploding past the US\$11,000 mark this week, as speculators pile in for a chance at making a quick buck. Will the sudden surge in momentum last for Bitcoin? If you're an investor and not a speculator, the answer ought to be, "Who cares?"

As Foolish long-term investors, we're all about investing to [build one's wealth at an above-average rate](#) over time. We do our due diligence to tilt the risk/reward trade-off in our favour and try to scoop up shares of businesses that trade at discounts to our gauge of their intrinsic value (or relative value). What we're not about is paying any price for dangerously volatile, unbacked assets that are only worth what the next person's willing to pay.

### Bitcoin versus Shopify

Bitcoin is booming again, and it'll likely go bust again, likely when you least expect it. So, do yourself a favour and consider shares of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) instead. Like Bitcoin, it has momentum and upside potential. Unlike cryptocurrencies, it's backed by a visionary-founder-led business that is in the early innings of its growth story.

Yes, Shopify is absurdly expensive at these heights. Still, I'd argue that given the calibre of business (and management) you're getting, it's far cheaper than Bitcoin, which, if Warren Buffett is right, has "no value." I don't know about you, but I'd rather run the risk of overpaying for the momentum stock of the second-greatest e-commerce company on the planet than an asset that may be worth nothing at all!

Moreover, if momentum chasing your cup of tea, Shopify is capable of way more upside relative to Bitcoin, which has been a roller-coaster ride between US\$5,000 and US\$12,000 over the last two years. From a technical standpoint, Bitcoin is at risk of pulling back from its US\$12,000 level of resistance back to the lower end of its consolidation channel. As such, I find no reason to bet on Bitcoin, even if you're a seasoned technician who's a fan of cryptocurrencies or blockchain technology.

Shopify, however, is a growth story that keeps getting better over time. The visionary founder Tobias Lütke continues to raise the bar for his company. Shopify is filling in a void for many small- and

medium-sized businesses (SMBs) amid the pandemic and serves as a great COVID-19 hedge for those who see the pandemic dragging on later rather than sooner.

There are a plethora of things to get excited about when it comes to Shopify's growth story. The e-commerce powerhouse has demonstrated its resilience in a time of crisis, and churn, I believe, is no longer a concern, given the ever-increasing number of high-quality merchant additions.

## Foolish takeaway

While I cringe at the valuation, with SHOP stock trading at 63 times sales, I'd say that compared to the likes of impossible-to-value cryptocurrencies like Bitcoin, that Shopify shares are a far better value, given what you'll receive for the price of admission.

Shopify stock recently corrected, but I have a feeling there's a high chance that the momentum could continue well into year-end, as investors [pile](#) into pandemic-resilient stocks that have been strengthened by the pandemic. I wouldn't back up the truck on Shopify shares here, but if you've yet to get skin in the game, now is looking like an opportune time if upside is what you seek.

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