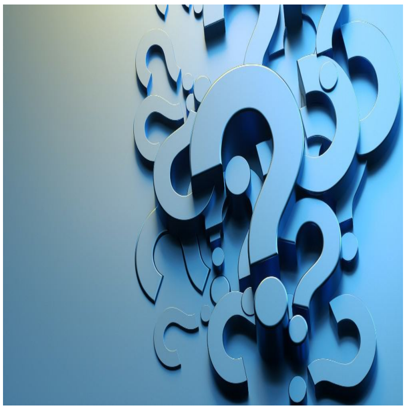

Shopify (TSX:SHOP) Stock: Has it Finally Peaked?

Description

It’s no secret that **Shopify** (TSX:SHOP)(NYSE:SHOP) is the one to beat for 2020. While the rest of the markets sunk, it seemed as though Shopify stock couldn’t stop. Shares started out the year around $530 and, as of writing, are now trading at about $1,250 per share. That’s after coming down from an all-time high of $1,457.90 — 175% higher!

But, as I mentioned, the stock has dropped by about 14% since it reached peak pricing. But this has all happened before. Shares in Shopify have come up, slumped as the excitement from the last earnings report came in, and then surged once more.

So, with its latest earnings now behind us, should investors consider selling Shopify stock?

Shopify Q2

It seems as though Shopify has become one of the few businesses to actual do well during the pandemic. As soon as the crisis hit, businesses saw the necessity to go online or be left behind. Between March and April alone, the company saw a 62% increase in new stores created on the site. This also included a huge increase in its Shopify Plus users, the pricier version for bigger clients.

Enter Q2, and Shopify continued to beat analyst expectations, and then some. The company saw a whopping 97% increase in revenue for the quarter. This represented a year-over-year increase of 119%! New stores on the platform grew by 71% for the quarter, as more and more merchants move to online methods of selling their products. The company also saw a record number of Shopify Plus users coming to the platform.

Can it last?

In short: yes. Let’s take a quick look at the last few months and see what Shopify has been up to. Hint: it’s a lot. The company has pretty much partnered with every conceivable major brand out there. In May, it partnered with **Pinterest** to allow merchants to target the 350 million subscribers to the platform. Later that month, it announced a partnership with **Facebook** to launch Facebook shops — a new offering from the social media platform.

In June came incredibly exciting news, with Shopify becoming the first ever e-commerce partner of **Wal-Mart**, allowing Shopify merchants to now reach the incredibly enormous Wal-Mart audience. Then just before earnings release came another partnership, this time with **Alphabet**. Merchants can now list their products for free on the Google shopping tab. Shoppers can now purchase products through Google platforms. Basically, it's becoming even easier to buy through Shopify every day.

While it might seem like the excitement is now over with these partnerships, I doubt it. This is the beginning of a partnership, meaning there will be a lot of growing to do for both ends of each deal. Shopify likely will continue its streak of announcements well into the next few years.

Bottom line

Don't get me wrong; eventually the share price will slow down for Shopify. I just doubt it will be in the next year or so. That's because the company has been able to take advantage of the huge boost in e-commerce. More merchants are using the site than ever. It has more brand-name partnerships than ever. More growth will continue to come in as the company expands its portfolio.

So, whenever there is a slump in the stock in the next year or so, take advantage. Even with a strong quarter, the share price seemed to have leveled out between $1,200 to $1,400 per share. If you already missed the $500 share price, you might regret missing out on the $1,400 share next.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

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

PARTNER-FEEDS

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

Category

1. Coronavirus
2. Investing
3. Tech Stocks

Date
2025/08/29
Date Created
2020/08/02
Author
alegatewolfe