



This Canadian Stock Is Up 2,440% Since Trump Was Elected

Description

Donald Trump has long claimed that he has been good for the stock market. Whether that's true or not is a matter of debate. What's *not* up for debate is the phenomenal return earned by one Canadian stock since Trump was elected. Since November 9, 2016, this stock has risen 2,440%.

This year alone, it's up 158%. If this stock's incredible hot streak continues, it could become a trillion dollar company rivalling **Amazon** ([NASDAQ:AMZN](#)). And some are saying it's already one of the most important tech stocks in the world.

So what *is* this stock, and why is it soaring?

Shopify

Shopify Inc ([TSX:SHOP](#))([NYSE:SHOP](#)) is a Canadian [e-commerce company](#) that provides a web platform for independent businesses. Unlike Amazon, Shopify vendors don't sell on a centralized website. Instead, they use Shopify infrastructure on their own sites. Shopify provides services like payment processing and website building. In exchange, it takes a cut of vendors' sales.

As of this writing, Shopify was trading for \$1,364. On November 9 2016, it was trading at \$53.73. Its return between then and today was 2,440%. Since it went public in 2015, SHOP has risen by 109% annualized. The cumulative return we're seeing is the end result of several years where it more than doubled.

Why it has risen so far in that time frame

Shopify's hot returns since 2016 come down to one thing: sales growth.

Quarter after quarter, the company smashes its previous sales records. In the second quarter, it [grew revenue by 97% year over year](#). In the third, it grew at 96%. The company benefitted from the COVID-19 lockdowns earlier this year. With brick and mortar stores shut down, consumers flocked to

online vendors, contributing to Shopify's sales surge.

The company also posted positive GAAP profits in the second and third quarters. That's a milestone it had been slow to hit before. So this company has really flourished in the COVID-19 era.

Can it continue?

It's one thing to note that Shopify has soared since Donald Trump was elected, but quite another to say it will continue. It's possible that Shopify will continue delivering market beating gains. But the annualized number likely won't be as high as it was in the past.

If Shopify were to keep rising by 109% each year, it would quickly become a multi-trillion dollar company. In fact, it would get there in just two-and-a-half years, putting it in the same league as Amazon. To be fair, some people think that Shopify will, in fact, become an Amazon-sized behemoth some day. But for it to happen that quickly seems unlikely.

What's absolutely certain is that Shopify has had an incredible run ever since 2016. Since Donald Trump got elected, it's gone from a small startup to Canada's biggest company. It's been a phenomenal run. And who knows—in the future, even better things may be in store.

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