



## Forget Bitcoin and Buy This Top TSX Stock Instead!

### Description

The cryptocurrency market has woken up in 2020 after a three-year slumber. Bitcoin was in hibernation mode after it touched a record high in December 2017. The price of the most popular cryptocurrency fell from US\$19,700 in late 2017 to US\$3,400 in December 2018. It has more than doubled in 2020 to trade at US\$17,800 at the time of writing.

### Why is bitcoin surging higher?

The price of one bitcoin was just US\$0.11 back in 2010. This means \$1,000 invested in the cryptocurrency a decade ago would have returned a staggering \$161 million today. Bitcoin could in fact have turned a \$10 investment into \$1.6 million in just 10 years.

One of the key drivers of the price of bitcoin is that investors expect a digital revolution and believe the cryptocurrency to be at the forefront when it takes place. The COVID-19 pandemic has accelerated the shift towards digital payments and with the [rise in peer-to-peer payments platforms](#), bitcoin is poised to dominate this space.

Further, there are only 21 million bitcoins that can be mined and this scarcity is also a long-term driver of its price. However, bitcoin is not a regulated asset, which means there is no legal body governing this asset class. The chances of fraud and manipulation are significant risks when it comes to investing in cryptocurrencies.

Bitcoin is a very volatile asset and has fallen lost 80% in market value multiple times in the last decade. Hackers have targeted cryptocurrency many times and cryptos are also popular among dark web users where illegal activities are rampant.

We can see that it does not make sense to allocate a significant amount of your savings in bitcoin and other crypto peers. Due to the massive uncertainties surrounding this space, you need to invest only how much you can afford to lose.

## Shopify has matched bitcoin since going public

In order to create long-term wealth, investing in growth stocks remain the best option. There is one Canadian heavyweight that has matched bitcoin returns since its initial public offering (IPO) in 2015. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock has returned 5,300% since its IPO while the price of bitcoin has risen close to 5,400% in this period.

Shopify is now Canada's largest company in terms of market cap. In the September quarter, it increased subscription sales by 48% year-over-year, while revenue growth in merchant solutions sales was up 132%. Total revenue almost doubled to US\$767 million in Q3, while [gross merchandise volume soared](#) 109% year-over-year.

Its monthly recurring revenue was US\$74.4 million in Q3, up from just US\$9.8 million in the third quarter of 2016. This means annualized recurring sales will be close to over US\$1 billion dollars in the next four quarters, considering the company's robust growth rates.

Shopify has created an extremely engaging ecosystem, which also ensures customer retention due to high switching costs, and network effects.

The COVID-19 pandemic has accelerated the trend towards online shopping making Shopify a top stock even when the broader markets are extremely volatile. It has multiple secular tailwinds and an expanding addressable market, making Shopify a winning bet for long-term investors.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

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

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