



## BUY ALERT: I Just Doubled Down on This Top Growth Stock

### Description

One of my biggest investing mistakes, as a beginner, was trying to time the market. More specifically, I decided I would wait until a stock pulled back an arbitrary amount before buying in. Unfortunately, that company kept rising in price, and even though I had very high conviction in the company, I was forced to watch from the sidelines. Eventually, I did enter a position in the company. Today, it is one of the biggest positions in my portfolio. This week, I loaded up on shares again. Which stock did I buy?

### A leader in the e-commerce space

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has been a winner in the stock market ever [since its IPO](#). Since coming public in 2015, the company has returned more than 3,700% to shareholders. That checks out to about an average annual gain of 93%. That means a \$10,000 investment at its IPO would be worth a nice \$386,481 today. Those are pretty nice gains over a period of five years.

This leads to a question that some readers may have: “If Shopify has already gained so much in value, is its hot run over?” I believe we are still much closer to the start of its growth story than the end of it. Yes, Shopify has grown nearly 157% this year, as I write this article. However, a quick glance at the bigger picture indicates that e-commerce is still very much in its infancy.

During the height of the COVID-19 pandemic, in April, e-commerce sales accounted for 11.4% of [all retail sales](#) in Canada. This compares to a penetration rate of 3.8% in April 2019. Of course, consumers have begun to return to physical retailers, but the habits developed during the pandemic will do a lot in terms of accelerating the adoption of this industry.

After this year’s Black Friday-Cyber Monday weekend, Shopify announced that its merchants sold a total of US\$5.1 billion worldwide. With the holiday shopping season ramping up, Shopify and its e-commerce peers could continue to see heavy traffic to close out the year.

### Looking ahead, how does Shopify stack up?

The company continues to be led by Tobi Lütke, one of the executives that I admire most on the public markets. Lütke has proven to be a very passionate leader who is willing to put the needs of the company above all else.

One of the biggest selling points I have read about Shopify is the fact that Lütke holds an annual meeting with Shopify's board to decide whether he is the best person to continue leading the company. He has stated that he would willingly step aside the day it is decided that another person is better suited for the job.

Although Shopify is a leader within its industry, it does face challenges in the form of competitors. **BigCommerce** recently held its IPO this year and saw a large influx of investors pour into the company. **Amazon** has also hinted at the possibility of challenging Shopify's position by offering a competing platform. If these competitors are able to eat away at Shopify's market share, the company may suffer greatly.

## Foolish takeaway

Shopify is one of my highest-conviction companies. This week, I doubled down on my position by loading up on shares once again. Although the company has seen incredible growth since its IPO, the investment thesis still holds. I believe Shopify still has a lot of room to run in the coming years, and I am willing to put more capital into this great growth stock.

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### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
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