



## Shopify Stock (TSX:SHOP): Time to Sell?

### Description

**Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock is a clear winner in 2020. Up more than 200% this year, it has made investors happy. But actually, Shopify's stock price has been on a roll on the **TSX** and the **NYSE** for quite a few years. The stock's three-year return is almost 1,200%. Its return over the last five years is 4,500%.

So this leads me to the question, is it time to sell Shopify stock? Is Shopify's stock price reflecting all the good news? Has its valuation gotten out of hand?

### Shopify stock in 2021

The second wave of COVID-19 will be in full force at the beginning of 2021. This will perpetuate the current environment. For example, all things e-commerce will be hot.

But the year will progress. The vaccine will make its way into society. People will achieve immunity. Populations will venture outdoors again. They'll visit stores, maybe plan trips, and even go to the movie theatre. As life moves along, so will investors' appetite for different things.

I think we'll see a shift back to old school stocks. We'll see a shift away from high-priced stocks like Shopify. New money will be poured into the now very cheap stocks that have been hit by covid-19.

### Should we sell Shopify stock today?

So the question looms. Should we sell Shopify stock today? On the one hand, it has a spectacular run. Maybe it's time for a breather. On the other hand, Shopify is changing the world of e-commerce. It's opening up a new world. And consumers are loving it.

But is there better upside in other stocks? Stocks that are now so cheap that they're reflective of disaster scenarios?

## Check out energy stocks for their cheap valuations and improving outlooks

Energy stocks have performed the exact opposite of Shopify stock. They've been down in the dumps for years. Everything that could have gone wrong in the industry has.

But looking ahead to 2021, we are starting to see hope. For example, years of under-investment have hit supply. Also, natural gas is increasingly being viewed as a key transition fuel. Finally, energy stock valuations are dirt cheap. They're so cheap that we can clearly say that they're pricing in disaster scenarios.

**Canadian Natural Resources Ltd.** ([TSX:CNQ](#))([NYSE:CNQ](#)) is a prime example of an attractive energy stock. It has a resilient business model. Its assets require comparatively little capital. And they're very predictable and low risk. Yet, Canadian Natural Resources stock trades at a mere 1.1 times book value. And at a mere 6.5 times its depressed cash flow.

Energy stocks have been rallying recently as oil prices have climbed to just under \$50. Cash flows are rising. And the giants are scooping up assets on the cheap. This will enhance long-term value.

## The bottom line

So to sum it up, it may be time to sell Shopify stock. I say this not because I don't recognize what a revolutionary company this is or downplay its massive success. It's just that sometimes, a stock starts to factor in years and years of everything good. It becomes less and less realistic. In Shopify's case, it may be time for a real breather. I mean, there aren't many stocks on the TSX or the NYSE that beat Shopify stock.

When we look at where to invest, we must find the stocks that will give us the greatest returns. I just think there are many other stocks that will outperform Shopify stock.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

### TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:SHOP (Shopify Inc.)

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