



## Why Shopify Stock Will Hit \$2,000 per Share This Year!

### Description

Growth is everything these days.

Canadian technology mega cap company **Shopify Inc.** ([NYSE:SHOP](#)) has generated out-of-this-world growth for investors for years. This is a company that has blown away analyst estimates and investor expectations each and every quarter since its Initial Public Offering (IPO).

### Strong momentum strong that's likely to remain

Personally, I haven't seen a company with as much momentum supporting its steady and impressive valuation increase since **Amazon.com**. In that context, it's easy to see why investors remain optimistic despite the company's incredibly high valuation.

Every day that passes with interest rates at zero, we're seeing more money flow into growth stocks. Equities in a zero interest rate environment will continue to soar, as investors simply have nowhere else to place their cash to earn a return. While Shopify doesn't pay a dividend, putting some money to work in a company that is growing cash flows at a ridiculous pace could pay massive dividends over the long run.

### Growth not likely to slow for a long time

Risks do exist for Shopify in the way of continuing to generate [exponential growth](#). That said, it seems like these risks are less likely than ever to materialize, for a few reasons.

Growth in e-commerce as a percentage of overall retail has accelerated quickly as a result of the pandemic. While this shift was already underway, Shopify's dominance as the premier e-commerce platform provider is key to this stock's investment thesis. Right now, Shopify is blowing away the competition in its product offering. Great software products with subscription or SaaS business models are now demanding high premiums, for a reason.

Investors see sky-high growth in near-perpetuity (much as Amazon investors saw in decades past). Therefore, it is conceivable that the company could not only meet, but exceed, the growth that is baked into this stock right now.

## We're not that far away from the \$2,000 milestone

Incredibly, \$2,000 per share is only a 20% upside from the company's all-time high reached two weeks ago.

Investors also aren't sharpening their pencils when it comes to how much is too much for growth stocks right now. Valuations used to find resistance against certain psychological barriers. However, in recent months, we've seen these barriers disappear.

Until investors start scrutinizing valuations to a reasonable degree, it's not only conceivable, but rather probable, that Shopify hits the \$2,000 per share milestone soon.

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