



ON SALE! 1 Top Tech Stock to Buy in a Market Correction and Hold Forever

Description

The Canadian stock market started February month on a solid note. In the first couple of weeks, the **S&P/TSX Composite Index** rose by 6.5%. However, the market turned slightly negative after posting a record high near 18,580 on February 16. Currently, the market benchmark is trading with about 1.5% losses from its all-time high. It could just be a minor downside correction phase that stocks usually go through after a long rally period.

In fact, investors can consider the ongoing correction as a big opportunity to buy their favourite stocks cheap. Here's one of [my favourite tech stocks](#) that I would want to buy during this market correction. Let me explain why.

Shopify's solid financials

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) has become one of the most successful Canadian tech companies in a very short period of time. The e-commerce platform provider continued to showcase its solid financial growth throughout 2020. During the year, its revenue rose by 86% to US\$2.9 to billion. Its impressive revenue growth was primarily driven by a solid 96% rise in its gross merchandise volume last year. Shopify's adjusted net profit reached a record high of US\$491 million in 2020 while its margin expanded to 16.8%. In the previous year, its bottom-line margin was just 2.2%. These financials showcase why its stock has consistently posted over 170% positive returns in the last couple of years.

Management's focus on growth strategies

Investors' high expectations from Shopify's Q4 results drove its stock up by 33% in February's first two weeks. However, this stock has lost nearly 10% this week so far, as it shed nearly 6% yesterday. These declines came after Shopify [announced](#) a public offering of 1.18 million Class A subordinate voting shares earlier this week. These Class A offerings are priced at US\$1,315 per share. The company plans to use the raised capital from this offering to fund its growth strategies and strengthen its balance sheet.

In my opinion, it is important for Shopify to continue focusing on ways to keep its strong financial growth trend intact. The company's management seems to be focusing exactly right there with its new public offering. That's why I see a recent decline in Shopify stock as an opportunity to buy this amazing high-growth stock cheap.

Shopify stock could resume its rally soon

If you don't know it already, Shopify stock has yielded more than 5,800% returns in the last five years. It simply means if I'd invested \$2,000 in it five years ago, it would have turned into \$118,000 by now. Over the last few years, Shopify has silenced its critiques by showcasing its real growth potential.

Many small and medium businesses learned the importance of having online stores amid the COVID-19 restrictions and shutdowns. While many such businesses have already started improving their online presence, many are preparing to do so in the near future. Shopify's easy-to-use and secure e-commerce platform services could continue to attract many such businesses going forward. So, the rally in Shopify stock isn't over yet, I believe. It could just be the start of a much bigger journey upward. That's why you may want to add its stock to your portfolio before it's too late.

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2. Stocks for Beginners
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