



A Top Canadian Stock to Buy in Cathie Wood's ARKK

Description

ARK Invest's Cathie Wood has put the broader market indices to absolute shame over the past year. Although her funds have dragged their feet thus far in 2021, they're still up big from the incredible 2020 rally that put Wood at the forefront of the financial media spotlight. She recently appeared on *BNN Bloomberg*, noting that Canadian e-commerce great **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) could be the next **Amazon.com**.

As you may know, Shopify stock has been a top recommendation for many years. While the multi-bagger gains in SHOP stock are now in the rear-view mirror, I still think the name is capable of above-average growth under the stewardship of its legendary CEO Tobias Lütke. Shopify has defied the odds, and it'll probably continue to do so, even in the face of diminishing pandemic tailwinds. Lütke is a man that has innovation in his veins, and I think he can keep Shopify stock strong for years to come.

I think Cathie Wood is right on the money when it comes to Shopify. It's not too late to pick up shares after their latest plunge, as there's likely far more upside ahead, as the company looks to go after its massive total addressable market in the small- and medium-sized business e-commerce space that's still yet to be fully penetrated.

At the time of writing, Shopify stock is a top 10 holding in ARKK, the ARK Innovation ETF and ARKF, ARK Financial Innovation ETF, both managed by Wood and her unorthodox and tech-savvy team of analysts.

Could Shopify grow to become as large as Amazon?

Wood probably shocked many when she said Shopify could become as large as Jeff Bezos's disruptive e-commerce behemoth that we all know and love. Shopify has clashed with Amazon in the past, coming out victorious. Although Amazon's recent acquisition of Selz indicates that it's ready for round two with Canada's top e-commerce kingpin, I think Lütke and his firm are ready to swing for the fences.

Amazon is currently a US\$1.7 trillion company. Shopify, whose market cap is currently at \$187 billion,

would need to double up many times over to become as large as Jeff Bezos's empire. It may seem impossible, but I think Shopify has the tools to join the likes of some of the largest and most dominant firms to rise out of Silicon Valley.

I think Wood is right in that it's just a matter of time before Shopify can grow to become a firm worth north of US\$1 trillion. Now, it will not be a smooth ride to that valuation. There will be many corrections, crashes, bear markets, and all the sort. For those, like Cathie Wood, who are willing to put up with the turbulence and buy as others sell, I see the potential for Shopify to deliver market-beating gains over the next decade.

Foolish takeaway on Cathie Wood's ARKK

Right now, Shopify is taking a breather, and I think you have to buy it — at least with a small portion of your funds. It's never a wise idea to bet against Shopify. And I think it's also unwise to bet against Cathie Wood's and her ARKK line of funds, as they look to bounce back from their bear market dip.

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