



Cathie Wood Is Buying These 2 TSX Stocks Hand Over Fist

Description

Cathie Wood has been the stock market superstar of the past year. With her flagship fund **ARKK** having earned a 150% return in 2020, she beat all the relevant competition. In the world of ETFs, nobody has managed to exceed her results. There was one hedge fund that reported a 3,000% return during the March 2020 market crash, but hedge funds are allowed to use instruments that ETFs can't use. As far as ETFs and mutual funds go, Cathie Wood is on top of her game.

This is why many Canadian investors should be pleasantly surprised to learn that Wood is buying Canadian stocks. Her ARKK fund owns one big name TSX component, and her **ARKF** fund holds two. Not only is Cathie Wood [accumulating these stocks](#), but she's giving them heavy weightings in her portfolios. That may be a bullish sign for these stocks — and for Canadian equities as a whole. In this article, I'll explore those two stocks and why Cathie Wood bought them.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is a top [Canadian e-commerce company](#) that has been experiencing explosive growth lately. Cathie Wood has positions in it in two of her funds.

In its three most recent quarters, SHOP posted 96%, 97%, and 93.5% growth, respectively. Those are impressive results for a period when many companies were forced to shut down. Shopify *benefitted* from the retail closures rather than being harmed by them, because it's a company that helps run online stores. When COVID-19 forced businesses to close in 2020, online stores — like the ones running on Shopify — picked up the slack. That led to enormous revenue gains for SHOP.

Today, there are serious questions that can be asked about whether SHOP can keep this up. If we turn the corner on COVID, then retailers will be allowed to re-open, and will be able to re-capture some of their previous sales. That's a bit of a risk for SHOP. However, the company is expecting only deceleration, not outright revenue declines. Overall, this is a high-growth company with a bright future ahead of it — exactly the kind of company Cathie Wood tends to invest in.

LightSpeed POS

LightSpeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) is a retail POS company that is similar to Shopify in many ways. It started out offering tablet-based POS services for businesses like restaurants, bars, and retail stores. Later, it branched out into e-commerce offerings. Initially, many analysts thought LSPD would suffer due to the pandemic, because COVID-19 put many retail stores out of business. What actually happened was that Lightspeed saw a surge in customers using its e-commerce platform. As a result, it posted strong revenue growth. In its most recent quarter, LSPD grew revenue by 79% year over year and beat guidance by \$10 million. It was a blockbuster quarter. And while the company still isn't turning a profit, it's young enough that it could easily begin doing so — just like Shopify did last year.

It's not hard to see why Cathie Wood holds this stock. As a young, innovative company with sky-high revenue growth and a massive accessible market, it has all the makings of a fintech disrupter. So, it has earned its place in the ARKF portfolio.

CATEGORY

1. Investing
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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

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