



This Canadian Cathie Wood Stock Could Offer More Upside Than Tesla (NASDAQ:TSLA)

Description

ARK Invest's Cathie Wood is the hottest money manager on Wall Street these days, and for good reason: she delivered market-crushing returns in 2020, thanks in part to major winners like **Tesla** ([NASDAQ:TSLA](#)) and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). although her funds have hit a bump in the road in the first quarter of 2021, she's not about to give up on innovative growth for unloved value, as most other investors have been doing lately.

Cathie Wood is doubling down on the growth "bargains" from the recent correction in the **Nasdaq 100**. And I think she'll prove the doubters wrong at least for the next year or so, as I don't think it's going to be curtains on the tech trade anytime soon. Although I am concerned about the rampant speculation in some of the hotter areas in the tech market, most notably EV stocks like Cathie Wood favourite Tesla, which continues to trade at insane multiples.

Looking beyond Tesla stock for multi-bagger opportunities

Heading into year's end, tech and growth stocks will be in a spot to post a comeback, with the 10-year U.S. Treasury note yield now on the retreat. In numerous pieces, I noted that the spike in bond yields was not the start of a longer-term trend and that the tech correction was a great buying opportunity for long-term thinkers. With inflation jitters and bond yields taking a breather, growth has been made great again at the expense of the value trade.

Cathie Wood's ARKK ETFs are still under considerable pressure, however, as many of its constituents are stocks that were the hottest of the hot. And like the aftermath of the dot-com tech bust, I don't think the most [speculative of names](#), like Tesla or **Plug Power**, will be nearly as quick to recover as other growth plays that aren't in bubble territory.

Cathie Wood's innovative strategy under fire

Cathie Wood and her line of thematic tech-focused ETFs have faced their fair share of criticism from

pundits and other folks in the media. Some pundits have noted that her aggressive ETFs are ill-prepared for the next big downturn.

We've heard people comparing this market to the one that led up to the 2000-01 dot-com bust. While there's an absurd amount of speculation in this market, I don't think this market is comparable to the one of the late 1990s. Sure, there's a tonne of speculation out there, but many fine companies are still trading at reasonable valuations, given the low-rate environment. I think pockets of severe overvaluation will mostly be contained and will not drag down the broader markets as they did back in 2000-01.

For disciplined investors who steer clear of EV stocks like Tesla, cryptocurrencies, SPACs, and NFTs, I don't see a reason to be alarmed. Cathie Wood has recently been trimming her Tesla stake, and the move was only prudent after its historic run.

Forget Tesla! Shopify stock could have more room to run in the 2020s

A Canadian Cathie Wood stock that strikes me as a great buy on the latest round of weakness is [Shopify](#), which found itself down another 5.2% in Monday's trading session.

Undoubtedly, Shopify stock is Cathie Wood's favourite Canadian growth stock. She recently compared the e-commerce kingpin to the likes of the great **Amazon.com**, going as far as saying the Canadian firm is capable of growing as large as Jeff Bezos' empire. I think she's right on the money. Shopify is the real deal, and it has way more room to run.

As such, smart investors would be wise to accumulate shares as SHOP stock continues treading water. At the time of writing, Shopify stock is off 23% from its February 2021 all-time high. I wouldn't at all be surprised if shares got pummelled to the \$1,000-1,200 level of support.

So, if you're going to be a buyer, make sure you're ready to average down. For now, Shopify stock remains one of ARK's core holdings and if shares were to retreat further, count me as unsurprised if Cathie Wood ups her stake in the Canadian e-commerce king, which could have far more upside than the likes of a Tesla.

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