



Shopify Stock Is a Gift Courtesy of Mr. Market!

Description

If you missed the sell-off in the Nasdaq 100 and some of the more speculative growth stocks, don't fret. In this piece, we'll have a look at one great Canadian name that still looks too cheap to ignore. Enter shares of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), which is fresh off yet another blowout quarter.

The stock skyrocketed over 11% on the beat, only to retreat and surrender the gains in the following trading sessions. Canadian investors have had a chance to see Shopify's hand, and they look to have a pair of aces. So, the recent pullback in the great Canadian growth gem, I believe, is nothing short of a magnificent buying opportunity for those looking for hyper growth at a stellar discount.

Despite Shopify's nosebleed-level price-to-sales (P/S) multiple, the stock still seems too cheap, given the calibre of business you're getting and the exceptional stewards running the show. The small- and medium-sized (SMB) e-commerce space remains lightly penetrated. Under the leadership of its CEO and founder Tobias Lütke, I think the company will capitalize on the opportunity at hand, even if it means facing the odd near-term stumble, as pandemic tailwinds look to fade away with the insidious coronavirus.

Has Shopify finally hit the peak?

Stop me if you've heard people saying that Shopify stock has peaked and nauseam over the past several years. Despite short-sellers and skeptical analysts, Shopify has managed to defy the odds and the laws of gravity, roaring higher after temporary breathers.

I think the recent consolidation in the stock is the same story all over again.

Although pandemic tailwinds are slated to fade, I find it hard to believe that CEO Tobias Lütke and his innovative team are about to pull the brakes anytime soon. Lütke is an incredible manager, and the recent management shuffle news (three of seven top execs plan to leave the company) ahead of the latest slate of earnings, I believe, is nothing but noise.

Shopify faces immense challenges, as consumers flock back to physical retailers at the expense of

their favourite online stores. But if any firm is going to overcome a challenge, it's Shopify. And I think it's a mistake to bet against the name in its latest bout of weakness.

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Shopify's recent [quarterly numbers](#) really speak for themselves. Profound strength right across the board, with an unprecedented 110% in first-quarter revenue growth. It's an incredible reinvigoration of momentum for the Canadian tech darling. That said, management cautioned that it would be tough to match the Q1 numbers going into the latter part of 2021.

I think Shopify has hit a local growth peak, but I don't think that Shopify doesn't have any growth left in the tank, because that's far from the truth. While the growth is expected to taper off into year's end, don't think that the stock will follow suit. Shopify shares have already begun to tumble in anticipation of weaker results in the latter quarters of the year.

Regardless, I would still look to nibble into a full position here and over time while shares remain down over 25% from their all-time highs.

Bottom line

Major tech behemoths have delivered big beats that have failed to move the needle. Shopify is no exception, with the stock now back on the retreat alongside many other tech-heavy hitters on some pretty incredible numbers.

I think you're pretty much getting that stellar round of earnings for free with shares now at \$1,375. My takeaway? Now is a great time to [buy Shopify stock in May and go away!](#)

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