



## Shopify: This Top Canadian Growth Stock Is Undervalued!

### Description

Over the last few weeks now, volatility has been increasing in financial markets. Major drops one day followed by a big rally the next is a change from what we've seen over the months leading up to this volatility. As is always the case when markets are selling off, though, lots of top Canadian growth stocks are looking cheap. One stock that's been getting cheap for a while now is **Shopify** ([TSX:SHOP](#)) ([NYSE:SHOP](#)).

The biggest reason for the volatility lately is diverging economic indicators and concerns over inflation.

There continue to be conflicting economic data, making it difficult to paint a clear picture of how the economy is recovering. Plus, investors are worried that interest rates may need to be increased sooner than the Federal Reserve initially expected in order to cool inflation.

This would cause borrowing to become more expensive and hurt corporate profits, which leads to increased volatility like we're seeing lately.

It's never fun to see your portfolio lose a tonne of value so quickly. However, the reality is that for long-term investors, it really doesn't matter. And these impacts likely won't impact stocks' long-term growth potential like Shopify, for example.

So for most investors, these temporary [market pullbacks](#) will actually be a benefit. It's an incredible opportunity to buy high-quality Canadian growth stocks at attractive discounts.

### One of the top growth stocks in Canada

Any time there is a pullback in markets, Shopify should be one of the stocks at the top of your buy list.

Shopify is not just one of the top [tech stocks](#) in Canada, but it's also one of the best growth stocks to buy today. The company is a massive e-commerce giant that has grown exceptionally fast over the last few years.

Not only did e-commerce have the potential to grow rapidly on its own, but with Shopify and other e-commerce giants performing so well and increasing the sales of their [merchants](#), the industry is growing faster than anyone imagined.

This creates a massive snowball effect in the industry, as economies of scale bring down costs and more merchants are forced to move online.

That's why even though the pandemic was a major tailwind that is winding down, Shopify still has significant growth potential over the coming years.

Shopify's potential is what's made it one of the top Canadian growth stocks. That's why it's a stock that deserves a growth premium, meaning its discount today makes it look extremely attractive.

Even analysts think the stock should be worth a lot more, as the average target price is roughly \$1,775. That's more than 30% upside from Monday's closing price.

Furthermore, the lowest of the 19 analyst target prices of \$1,615 is a more than 20% increase from today's price. So if you're looking for a high-quality [growth stock](#) to buy during this heightened volatility, Shopify is one of the best to consider.

## Bottom line

Buying stocks that are trading at below their value is great. However, buying top Canadian growth stocks trading at a discount is even better. It's not just an appealing discount to look for; you also want high-quality stocks that should outperform the market for years to come.

With Shopify trading at this incredible discount, it is one of the top Canadian growth stocks to buy today.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

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