



## Shopify's Resiliency in the Recent Sell-off Shows Investors Value its Quality

### Description

Over the last few weeks, the sell-off in stocks has intensified. Generally, stocks across the board have sold off. However, tech stocks like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) have led the way.

This was understandable at first. Many tech stocks were receiving a tailwind from the pandemic, which has started to ease this year as economies worldwide begin to emerge from the pandemic.

So after a year that saw many of these stocks reach record highs on massive valuation metrics, it wasn't surprising to see them come back down.

Recently, though, the uncertainty and volatility have been spilling over into all industries of the market. And with the cryptocurrency sell-off the last few weeks as well, tech stocks have continued to be some of the worst impacted.

Despite this broader [market pullback](#), Shopify stock has remained resilient.

### Shopify's stock isn't getting any cheaper

After an incredible performance in 2020, Shopify declined to start the year. But ever since hitting roughly \$1,400 a share, the stock has stayed range-bound.

The fact that Shopify hasn't gotten any cheaper from these price levels is not exactly surprising to me. Even with [tech stocks](#) selling off the last week, Shopify has held strong.

So although there may not be momentum to make the stock rally at the moment, investors know where it has value.

Shopify is one of the best [growth stocks](#) you can buy. So it's clear investors aren't willing to sell the stock for any cheaper than what it's been trading at lately.

Since hitting \$1,400 a share in March, that stock has hardly gotten any cheaper than that. Because it's

such a high-quality business, it will be next to impossible to get the stock [undervalued](#).

Investors aren't willing to give up this gem for less than it's worth. So the best you might be able to do is buy the stock without an excessive growth premium.

Perhaps another reason that the stock has held in strong the last few days is its recent deal with Google's parent company, **Alphabet**.

## Shopify's deal with Google

During Google's recent developer conference, it unveiled a slew of new growth ideas. In a push to up the e-commerce competition against **Amazon**, it was in a partnership with Shopify to increase the discoverability of its merchants' products.

Shopify stock reacted positively to the news as the two companies are some of the biggest tech businesses in the world; the partnership should add value to both sides.

For Shopify, it means that its more than one million [merchants](#) will have their products appear across a variety of Google products, including Maps, Lenses, Images and more.

This positive development is why Shopify is one of the top stocks in Canada.

## Bottom line

Shopify is one of the best Canadian growth stocks of all time, offering exceptional potential over the coming years. Stocks with this much growth potential often trade with massive growth premiums. So although the stock hasn't gotten much cheaper lately, this is an opportune price to take a position.

Shopify likely won't get any cheaper than this, so I would use the opportunity to take a position before the growth premiums return and the stock consequently rallies.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

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

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