



E-Commerce Darling Shopify Is a Great TSX Stock to Invest \$5,000 in for the Next 20 Years

Description

If you've got an extra \$5,000 to invest, the recent spill in tech and growth stocks presents [a great entry point](#) for young, venturesome investors who are willing to hold on for the next 20 years or more. Inflation jitters, the Fed, and rate hikes are all people seem to care about these days. Yes, inflation hurts the high-growth companies that don't expect to sustain a move into profitability until way out in the future. That said, I think the recent round of damage done to tech stocks is a tad overblown.

While there's no way to know for sure when this tech sell-off will end, I think it's wise to start doing some buying while many of the fastest growers are down double-digit percentage points. Many outstanding growth stocks are now down over 30% from their peak levels. You wouldn't know there would be such pain being felt by such names by just looking at the **TSX Index**, though!

Opportunity in the freshly corrected tech scene

If you're a self-guided stock picker, I think it's a smart idea to dollar-cost average (DCA) your way into a full position in your favourite high growers over time. Using a DCA method can help ease the pain that comes with catching fast-falling knives. If a plunging stock falls further into the abyss, you'll relish the opportunity to buy even more shares. Moreover, the DCA strategy also takes market timing right out of the equation. Timing markets is tempting, even for the most seasoned of investors, but oftentimes, it's an enemy of self-guided beginner investors.

So, instead of trying to call the bottom in today's basket of fast-falling growth and tech stocks, consider buying them on the way down. Nibble your way into a full position, and you'll take your emotions right out of the equation.

Without further ado, let's have a closer look at one of my favourite high-growth tech stocks, which, I believe, has taken way too hard a hit to the chin. Enter **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), one outstanding growth stock that could evolve into major multi-baggers over the next 20 years and beyond.

Shopify stock is a top e-commerce darling to buy on any weakness

Buying Shopify stock whenever it [nosedives](#) into a bear market has proven to be a magnificent strategy over the past several years. The latest round of weakness, mostly inspired by broader market concerns over inflation and speculation as to what the Fed's next move will be, is just another bear market that I think should be bought by contrarians who've been waiting for the e-commerce kingpin to take a breather.

Shopify stock will never be cheap based on a price-to-sales (P/S) multiple. But I still think it's more than capable of growing into its nosebleed multiple over the coming years. Still, nobody wants to risk overpaying for many years' worth of revenue growth upfront. With pandemic tailwinds slated to fade and inflation jitters climbing, it seems like curtains for Shopify.

Management recently talked down its coming quarters, which are due to face some pretty tough year-over-year comparisons. Regardless, I think all such negatives are already baked in. And if you're a long-term investor and have faith in its legendary founder and CEO Tobias Lütke, I think you have to do some buying while SHOP stock is fresh off a 32% peak-to-trough decline.

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