



Shopify's (TSX:SHOP) Huge Partnership With Google Sent the Stock Soaring 7%

Description

The massive tech sector stock sell-off intensified over the past few weeks, resulting in losses across the board for Canadian tech companies trading on the **TSX**. Even the growth stock darling, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) lost the momentum it gained over the last few years with its remarkable meteoric growth.

The tech sell-off was understandable at first. Many companies in the industry received substantial tailwind from the pandemic, driving revenue growth and increasing valuations. However, the pandemic tailwinds began fading away as the global situation began normalizing this year.

After a year that saw many tech stocks soar to record highs, it was hardly surprising to see them come down. Despite the industry-wide sell-off, Shopify remained resilient in the face of adversity.

Today I will discuss Shopify's resilience on the stock market and how a deal with **Alphabet's** Google has revitalized its growth.

Shopify's resilience

Shopify had an incredible performance in 2020 but began declining at the start of 2021. The stock hit the \$1,400 per share region and stabilized within that range. Unlike many other tech stocks, Shopify did not get any cheaper from those levels. Even the most recent selloff frenzy in tech stocks did not sway Shopify.

Many investors consider Shopify to be an [excellent growth stock](#) and were unwilling to sell the stock for any cheaper than in the \$1,400 range. It is such a high-quality business that it will be impossible for the stock to get undervalued.

Shopify's Google deal

A recent developer conference saw a flurry of new growth ideas being thrown around by Google. **Amazon**

is a leader in the e-commerce space. In order to push the competition in this sector, Google announced a partnership with Shopify.

The Shopify stock reacted immediately to the good news. As two of the most significant tech businesses worldwide, the partnership added more value to Google and Shopify. Shopify stock is trading for \$1,464 per share at writing and is up 7.23% from its valuation before the deal was announced.

Over the years, the spectacular growth of Shopify stock was driven by the sustained demand for its e-commerce platform, solid growth in its top line, and its growing market share. The recent deal with Google will see Shopify's 1.7 million merchants integrate with the search engine giant's offerings. With just a few clicks, the retailers can appear more prominently on Google.

Google eliminated fees for retailers on its shopping service last year to lure merchants from Amazon. Its partnership with Shopify will allow both tech giants to see business improve.

Foolish takeaway

Shopify has become the best Canadian growth stock of all time, offering its investors stellar returns. Its partnership with Google adds the promise of exceptional growth potential in the coming years.

The stock may not get any cheaper, and the barrier of entry is high. However, it could be suitable for you to pick up Shopify stock before the growth premiums return and the [stock rallies](#).

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