



Dogecoin vs. AMC vs. Shopify Stock

Description

Dogecoin, **AMC Entertainment Holdings** ([NYSE:AMC](#)), and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock are three of the best-performing assets in recent years. While Shopify stock has been a great investment for years, Dogecoin and AMC stock have seen major rallies within the last year.

Despite the fact that all three assets have seen huge rallies in their relatively short period of existence, the three couldn't be more different when considering which to invest your hard-earned money in.

Shopify is a high-growth stock. Buying the shares gives investors ownership of a company, and not just any company — it's a massive business that's growing rapidly.

AMC stock gives investors ownership in a massive movie theatre chain. The shares of stocks have intrinsic value because, as a shareholder, you have ownership of a business that can generate future cash flows.

Dogecoin, however, is a cryptocurrency. Owning Dogecoin gives investors ownership of an asset that doesn't earn any cash flow and can only be spent in a limited number of places. Furthermore, not only does it not earn any cash flow, but 10,000 new Dogecoins are minted each minute.

So, which is the better buy: Dogecoin, AMC, or Shopify stock?

Dogecoin

There is nothing wrong with investing in cryptocurrencies if they have a legitimate technological advantage or potential in the future. However, Dogecoin isn't one of those cryptos, so here's why I would forget about investing in Dogecoin today.

Firstly, there are plenty of other coins with better potential. Dogecoin just happens to be the one that's most popular today, but given no technological advantages or many use cases, it likely won't be around forever.

There will be plenty of other coins that go through these pump and dumps as a result of speculation. So, while it's always possible to get lucky and make money, the risk/reward tradeoff is not worth it, especially for an asset like Dogecoin that has so much competition.

AMC stock

As I mentioned before, choosing stocks like AMC or Shopify is different from Dogecoin, because stocks have intrinsic value due to the potential cash flows they can generate in the future. However, just because it has some intrinsic value doesn't mean it's anywhere close to a buy today.

In fact, this week, [the company](#) used the surge in its share price as an opportunity to raise cash for its struggling business — a prudent move. However, even during the share offering, the company itself warned investors against buying its own shares, “unless you are prepared to incur the risk of losing all or a substantial portion of your investment.”

To give investors an idea of how overvalued the company looks at the moment, currently, the highest target price from the analysts that cover the stock is \$16, with the average target price around \$5. As of Thursday's close, AMC stock was trading more than 10 times the average analyst target price.

This has the stock looking extremely overvalued and a huge speculative bet. Rather than speculating on Dogecoin or even AMC, I'd recommend investors buy Shopify stock.

Shopify stock

Shopify stock is a much better investment today because the stock is actually undervalued, unlike AMC stock or even Dogecoin. Not only is Shopify one of the best [tech stocks](#) in Canada, but it's also one of the best [growth stocks](#) you can buy today.

E-commerce still has a long way to go, and massive disruptors like Shopify will continue to be the top performers in the sector. So, although the tailwind from the pandemic is easing, many merchants will be moving forward with both an e-commerce channel as well as traditional brick and mortar.

Shopify stock isn't overvalued, like AMC or Dogecoin. The stock is actually undervalued — and by a considerable margin.

Currently, Shopify trades at less than \$1,500. So, with its average target price from analysts near \$1,800, the stock has roughly 20% upside, according to analysts.

Shopify isn't the only Canadian stock looking attractive either. Rather than speculating with your hard-earned money, I'd look to buy stocks that actually offer good value today.

CATEGORY

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

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