



Dogecoin vs. Shopify Stock: The Winner Is Clear

Description

Dogecoin has been off to the races this year. The cryptocurrency saw its value increase by as much as 12,000% this year following tweets from **Tesla** CEO Elon Musk.

However, since then, we've gone into a period of rather high volatility in the crypto space. Dogecoin has fallen back to earth, and investors are left wondering whether these popular tokens are still worth an investment today.

Similarly, **Shopify** ([TSX:SHOP](#)) ([NYSE:SHOP](#)) has seen rather [impressive stock price appreciation](#) over its history. This hyper-growth stock has provided investors growth on steroids in recent years. However, rising inflation concerns and higher bond yields have poured cold water on this stock.

So, which investment is the winner? In my view, there's really no comparison. Let's dive into why Shopify is the better choice for long-term investors right now.

Growth based on fundamentals

Unlike cryptocurrencies, stocks like Shopify provide cash flow growth from which to base their valuation upon. Companies like Shopify that continue to outperform analyst expectations and receive upgrades from analysts and investors will always do well.

Indeed, Shopify's market cap of more than \$185 billion speaks to this. Shopify has brought in revenue of nearly US\$1 billion this past quarter, a near-triple-digit increase over the same quarter last year. Operating income came in at US\$119 million — a significant improvement from last year's loss.

These numbers indicate the profitable growth trajectory Shopify is currently on. If Shopify can continue to increase its EPS each and every quarter, it's possible this company could be cheap on a forward-looking basis. Of course, Shopify will need to grow into its existing valuation today.

However, there's no cash flow growth that Dogecoin investors can rely on. What crypto investors are willing to pay is largely a function of sentiment rather than fundamentals. This isn't a game long-term

conservative investors may want to play.

Bottom line

Shopify's a growth investor's dream stock. The company's annual revenues and bottom-line earnings continue to grow at impressive speeds.

While I do think growth will likely slow over time, Shopify's premium positioning in the high-growth e-commerce segment gives this stock an upper hand over many other speculative asset classes such as crypto.

Dogecoin is certainly still an intriguing investment opportunity for many investors. But for those seeking truly sustainable long-term returns, Shopify stock is the way to go. This is a company with the fundamentals and positioning to make a clear run at another decade of growth. I'm not so sure about Dogecoin.

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Author

chrismacdonald

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