



Shopify Stock Is Still a Buy at an All-Time High!

Description

Just like that and **Shopify** stock ([TSX:SHOP](#))([NYSE:SHOP](#)) is back at a new all-time high, with shares rallying over 45% from its May 13 lows on the back of the reversal back into the fastest-growing tech firms. Joining forces alongside tech behemoths like Google and **Facebook**, Shop Pay has also had investors pounding the table on the stock after a year of doing virtually nothing.

At \$1,850 and change, Shopify's frothy multiple got that much [frothier](#). Still, given promising developments and the likelihood that the e-commerce powerhouse can continue building upon its strength in the pandemic, I don't think Shopify stock is nearly as expensive as it could be.

Throw the possibility of lower rates into the equation and I think Shopify's recent breakout may be the start of a sustained climb to much higher levels, possibly to \$2,350 — a level that Rosenblatt Securities has its sights set on.

Shopify stock could soar to even greater heights

In numerous prior pieces published over this past year, I pounded the table of those cooled-off shares of Shopify, urging investors to pile in before the net move higher.

I thought the downbeat post-earnings guidance and the possibility of a post-pandemic e-commerce "hangover" were overblown and that it would be hard to keep Shopify stock down under its brilliant founder and CEO Tobias Lütke.

"The stock is back at \$1,300 and change at a critical support level. Even if the level doesn't hold, I think investors would be wise to punch their ticket into the name if they've been waiting patiently for an entry point over the past few months," I wrote in a [prior piece](#).

"Given Shopify's knack for delivering blowout surprises, I wouldn't at all be shocked if CEO Tobias Lütke and company were to pole vault over a now modestly lowered bar in late 2021."

As it turned out, the support level held, and if you bought on my advice, you'd be up over 40% in just

over a month. After the pop, Shopify stock trades at a ridiculous 54 times sales.

That's expensive, but could it become even more expensive as growth stocks are made great again? I'd argue that it could.

You see, Shopify stock has never been anything less than stupidly expensive. Still, nosebleed-level price-to-sales (P/S) metrics, I thought, did not necessarily imply that the stock was ever overvalued. Looking back, Shopify stock would have been a screaming bargain at just 40 times sales, which is an insane multiple for any high-growth stock.

Still a buy at an all-time high? Believe it.

Shopify has a lot going for it in the post-pandemic environment. As a result, investors have a lot to look forward to, even if a large number of people opt for brick-and-mortar retailers to get their shopping done as the economy reopens.

Believe it or not, Shopify's target market—the small-and-medium-sized business (SMB) space—still looks very lightly penetrated, leaving Shopify room to run despite its \$228 billion market cap.

Undoubtedly, Shopify's a mega-cap stock now, but don't let its size fool you. It's still capable of unprecedented growth that could allow the company to join the likes of the tech leaders in the states.

If rates continue to descent and tech bounces back, I'd look for Shopify to blast past the \$2,000 mark.

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