



Will Shopify (TSX:SHOP) Cross the \$2,000 Mark?

Description

The tech sector in Canada has been on a tear since mid-May. The S&P/TSX Capped Information Technology Index has risen over 20% in the last two months, and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), the most sizeable component of that index, has risen 44% during the same period. The stock peaked a little over \$1,940 per share, just a little way off from an all-time high \$2,000 price tag.

From a market capitalization perspective, Shopify is still about one-tenth the size of **Amazon**. But it might not be a fair comparison since Shopify primarily caters to a B2B market, whereas Amazon dominates both B2C and B2B.

That said, it would be interesting to speculate whether [Shopify would reach](#) the \$2,000 mark and, if yes, how far it might go from that point in valuation.

Shopify stock prospects

The recent Shopify rally that influenced the tech index to new heights as well seems to be running out of power. The stock recently saw its sharpest decline in the last two months, and if it keeps sliding down, the chances of it reaching the \$2,000 per share price without a major catalyst might be quite low.

But the way the company is going forward and the waves it's making in the social commerce arena are positioning it to become the next Amazon.

And that's not all. The company recently launched an overhauled version of the platform, "Shopify 2.0." It also integrated with Ascent360, a data-driven marketing platform. The valuation simply shrugged off a major C-suite exodus, and it expanded its pack with **Facebook** and **Google**.

The company has grown its partner eco-system to epic-proportions (45,800 partners) and easily integrates with 6,600 apps. The company is on solid footing, with powerful market penetration and a growing addressable market, so the question is not *will* Shopify cross the \$2,000 per share price tag, but *when*.

Another e-commerce stock to consider

In the same period, Shopify stock grew about 44%, **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) grew about 53%. It's often touted as the "lite" version of Shopify, at least from an investor's perspective, and many ways, it is. The company is currently trading at a three-digit price tag for the first time since its inception, and it's already too overpriced to even consider a sharp rise to a four-digit price.

But if [the company](#) has what it takes to hit \$1,000 a share in the next five years (by then, the e-commerce market will have matured), buying now can help you grow your capital by about 10 times.

The company has already grown its global footprint by a significant margin and has customers in over 100 countries. It's also acquiring new businesses to grow its platform and its offerings.

Foolish takeaway

Shopify was a millionaire-maker stock, but even if it grows to the unprecedented height of \$2,000 a share, it might not do you much good to buy now. The stock will have to grow over \$3,600 per share just to double your capital, and it's a far-off goal at its current valuation.

Out of the two [tech stocks](#), Lightspeed might be a better buy, but wait for it to normalize before buying.

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3. TSX:LSPD (Lightspeed Commerce)
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Author

adamothonman

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