



## 3 Reasons Shopify Inc (TSX:SHOP) Could Soar in September

### Description

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock appears poised to soar once more in September. Currently trading at \$1,946, it's just a tiny percentage away from its all-time high of \$2,070.

Of course, a stock's current price doesn't tell us where it's going. That depends on a million factors, ranging from fundamentals and insider buying to publicity and hype. But this September, Shopify is fresh off a string of good news stories that's likely to drive investor interest higher. Accordingly, it has a good chance of soaring in September as long as the broader markets behave reasonably well. The following are three key reasons why.

### Reason #1: The TikTok deal

One big reason why Shopify could soar in September is because of its deal with **ByteDance's** [popular TikTok service](#). TikTok is the fastest-growing social media app in the world and is rapidly becoming one of the largest. It may be the largest already in terms of mobile downloads, as it's rapidly closing in on 1.1 billion users. Shopify's integration will allow influencers to sell their Shopify store's products directly on TikTok. The exact revenue impact of this won't be known until next quarter or later, but the hype surrounding the story could drive the stock higher anyway.

### Reason #2: Strong growth

Another reason why Shopify could rally higher in September is because of its [sky-high growth](#). Shopify's revenue grew at 56% in its most recent quarter and grew at over 90% in the four quarters prior to that. It has been an incredible thing to witness — so much so that some commentators actually reacted negatively to the 56% second-quarter growth rate. Having 56% year-over-year growth is in itself amazing, but, compared to the prior four quarters of revenue basically doubling, it looks weak. Ultimately, it doesn't matter, though. Even with the deceleration, SHOP still beat on both revenue and EPS in the most recent quarter. So, the company's prospects look rosy.

## Reason #3: Celebrity endorsement

Last but not least, Shopify has one big factor that could cause it to rally higher in September: *celebrity endorsement*.

Now, I'm not saying that celebrities are running out to their social media accounts to promote Shopify, but *implicit* support is there. Specifically, it is there in the form of celebrities hosting their stores on Shopify. You see, over the years, Shopify has become the platform of choice for celebrity merchandise. Some leading celebs on the platform include the following:

- Adele
- Drake
- Jeffree Star
- Justin Bieber
- Kanye West

The fact that these celebrities host their sites on Shopify is encouraging, because it could give Shopify some cultural cachet. Certainly, it's not a secret that these celebs host their stores on Shopify. If it becomes even more widely known, then that could lead to more vendors — especially entertainers — signing up. People have a tendency to follow the popular, and SHOP currently leads among e-commerce platforms when it comes to courting the world's top celebrities. In time, that could lead to real revenue gains for the company.

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