



## Why Pinterest Stock Jumped 13% on Wednesday

### Description

**Pinterest** ([NYSE:PINS](#)) climbed 13% in morning trading on Wednesday from news **PayPal Holdings** ([NASDAQ:PYPL](#)) may be acquiring the social media company.

### What happened?

Rumours have been spreading for quite some time that PayPal stock would be purchasing Pinterest stock. And the reason is obvious. Mega-companies similar to PayPal have been making partnerships for years in this vein and trying to make them shoppable. The growth of e-commerce has seen to that.

But while Pinterest stock climbed 13%, PayPal stock fell 4% in morning trading. And that could be because, of course, the deal comes with a big price.

### So what?

In the past, PayPal stock has discussed purchasing Pinterest stock for about US\$70 a share. As of writing, shares trade at US\$62 per share, and that's *after* the mega [growth](#) of the morning. That would put Pinterest's value at around US\$39 billion. And Pinterest stock now has beat that, trading at US\$39.9 billion at writing — an increase of about US\$1 billion overnight.

So, therein lies the issue. Investors in PayPal stock likely think the [company](#) is overpaying and then some for Pinterest stock. Meanwhile, should the value be there, those investing in Pinterest stock are climbing on that bandwagon in droves.

That being said, it's not a huge issue, as PayPal stock has the money. It's done quite well due to the e-commerce boom during the pandemic. It's been growing through its payment app and has an earnings report due Nov. 9. So, such an announcement could be seen as positive proof of further growth.

## Now what?

Honestly, if you look at PayPal stock, it looks like a solid deal. Really, both still do, according to analyst predictions. Shares of Pinterest stock were set to climb to US\$70 in the next year, and that could happen by end of day. Meanwhile, with PayPal stock down, now could be a solid time to jump on the stock — especially as analysts give it a potential upside of 25% as of writing.

### CATEGORY

1. Investing
2. Tech Stocks

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1. NASDAQ:PYPL (PayPal Holdings Inc.)
2. NYSE:PINS (Pinterest)

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