



Why Shopify Stock Plunged Another 10% Monday

Description

What happened?

The ongoing selloff in **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock doesn't seem to be ending soon. SHOP stock tanked by another 10% on Monday afternoon after [losing nearly 20% of its value](#) last week. With this, the Canadian [tech stock](#) is now down by about 42% on a year-to-date basis compared to a 5.7% decline in the **TSX Composite** benchmark.

So what?

In many of my recent articles, I've [explained](#) some key reasons for the ongoing stock market selloff. Speculations about the U.S. Fed's and Bank of Canada's latest monetary policy moves are keeping investors on their toes. While these speculations have led to a market-wide sharp decline, they have hit some high-growth [tech shares like Shopify](#) the hardest.

Along with the ongoing market selloff, Street analysts are continuing to turn less optimistic on SHOP stock, despite its consistent [efforts](#) to expand its business. After **Deutsche Bank** cut its target price last week, analysts at Wedbush today reduced their 12-month target price on Shopify to \$1,296 per share from \$1,500 per share earlier.

While Wedbush's latest target is significantly above its current market price of \$1,047 per share, these consistent downgrades are definitely adding pessimism, thus hurting investors' sentiments. These factors coupled with the tech sector-wide crash are the main reason why SHOP stock dived sharply today.

Now what?

The recent Shopify stock price crash looks horrifying at first. And well, it surely is if you'd bought the stock a few months ago when it was trading at its record highs. However, if we look at the company's

recent financial growth trends, we would find the recent drop as an opportunity to buy an amazing high-growth stock at a big bargain with high expectations of a recovery.

While Street analysts may keep adjusting their target prices on SHOP stock due to the ongoing tech meltdown, these factors won't change its long-term growth outlook. That's why you may wait to add stocks like this to your portfolio on any concrete signs of a trend reversal in the coming weeks.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. jparashar
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/09/05

Date Created

2022/01/24

Author

jparashar

default watermark

default watermark