



Shopify Stock Could Rally Viciously in 2022

Description

TSX growth stocks (especially those that aren't yet profitable) have been [crashing](#) violently over the past several months. Indeed, it's scary for new investors, given there are few places to hide from the growing number of worries. Inflation, Fed rate hikes, Ukraine-Russia tensions, suspect valuations across the board, and considerable big-tech earnings flops are just a handful of things that have propelled broader stock markets into correction territory.

The tech-heavy **Nasdaq 100**? It's down around 15% from its high and could be poised to see the bear finally emerge from its cave for the first time in around two years. While the **TSX Index** has held its own, it's really tough to tell what could be in store next, as the magnitude of negativity seems to creep higher by the day.

Top TSX growth stocks will eventually bottom

It's at times like these, though, that investors should think about buying. Most others are [fearful](#), so if you can find it within yourself to be a contrarian and get greedy, I do think there's considerable money to be made once the markets inevitably hit bottom. If you're a long-term investor, you shouldn't care what the market's next move is. It could fall into a bear market, or it could rally to new highs in as little as a few weeks or months.

As a long-term investor, you can afford to buckle your seatbelt and buy more on the way down if this is just the first innings of a substantial market-wide meltdown. If we're not going to crash further and the best of bargains are already in the rear-view mirror? Then those who flinch could be left with nothing in this market "sale" that may end at any time.

I think the markets are oversold, especially the top TSX growth stocks that have done nothing wrong at the company-specific level.

Consider e-commerce firm **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), a quality TSX growth stock that has been oversold and is overdue to skyrocket to new highs in 2022.

Shopify: Tobi Lütke's empire is on sale!

When the markets are in free-fall, you've got to reach for quality. In the growth corner of the TSX, it's really hard to stack up against Shopify. It's one of the growthiest e-commerce firms out there, yet shares have sagged lower in recent months. The latest quarter may have been a flop, but I think it's just a fumble, rather than the start of a negative trend. Indeed, higher rates are bad news for Shopify or any growth firm for that matter. The valuation is still remarkably high, but given the calibre of firm you're getting, Shopify is arguably one of few extremely-expensive stocks worth backing as pessimism mounts.

Historically, Shopify stock looks cheap. Given most of the rate hike fears are baked in, I'd look to nibble away on this dip. Don't expect the bottom to be in at around \$1,000 per share, though. Have a plan if shares sink below \$900 and be ready to average down. In short, it's a great company, but it's also a tough crowd amid difficult macro conditions. In due time, the pain will pass, and Shopify is likely to power higher. It's just too innovative a company to be stuck in this current rut.

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

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Author

joefrenette

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