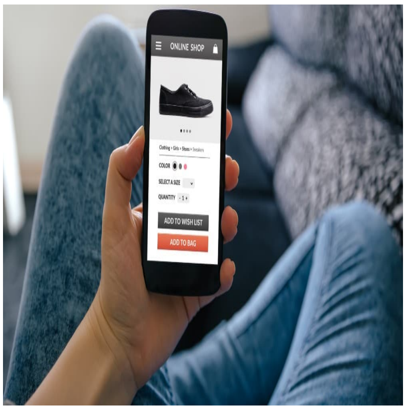

Why Shopify Stock Fell 11% Last Week

Description

What happened?

Shares of **Shopify** (TSX:SHOP)(NYSE:SHOP) continue to plunge for the fourth consecutive month in March. Last week, SHOP stock saw 11% value erosion to settle at $764.65 per share — close to its lowest level since April 2020. By comparison, the **TSX Composite Index** rose by 1.4% in the week ended on March 4. With this, Shopify stock is now the worst-performing TSX stock in 2022, as it has lost nearly 56% of its value on a year-to-date basis. Its market cap has now dropped to about $96.3 billion.

So what?

On March 3, a Texas-based inventory management company Apptricity announced its partnership with Shopify. This partnership is expected to “provide Shopify users the ability to integrate Shopify StoreFront with Apptricity’s enterprise inventory management application solution” using Apptricity’s Omni inventory solution. As you can guess, this news can’t trigger a selloff in Shopify stock. While there was no other major Shopify-specific news last week, the ongoing broader market selloff — especially in tech stocks — could be the primary reason why its stock fell sharply.

The ongoing Russia-Ukraine war has increased uncertainties about the global economic outlook, hurting stock investors’ sentiments. That’s why global stock markets are continuing to sink lately. Although rising commodity prices have helped Canadian energy and mining stocks inch up in the last couple of weeks, other sectors, including tech, healthcare, and financials, continue to slide down.

Now what?

Shopify has been one of the most desirable stocks since its listing on the exchange in 2015. It isknown for delivering handsome positive returns to its investors each year. In 2019, Shopify stock roseby 174%. The stock maintained this bullish momentum in the next year, as it jumped by 178% in 2020.

However, SHOP stock ended 2021 with only minor 21% gains after a sharp tech sector-wide selloff in December erased some of its advances. The tech meltdown is still continuing with investors' rising speculations about the pace of monetary policy tightening amid high inflation. And the recent Russian invasion of Ukraine has added to market uncertainties, taking Shopify stock further down as investors flee risk.

Nonetheless, these macro factors aren't likely to affect Shopify's long-term growth outlook. While the Canadian e-commerce giant expects its revenue-growth rate to decline in 2022, its top-line growth could still exceed Street's expectations, as the demand for its e-commerce services remains strong. That's why long-term investors may want to consider buying Shopify stock amid the ongoing selloff.

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
2025/07/07
Date Created
2022/03/07

Author
jparashar