



Shopify Stock: When Will it Hit \$1,000?

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) has had quite the last few months. After [soaring](#) at what seemed like an unstoppable rate, Shopify stock hit \$2,228 per share. But after that, shares sunk lower and lower. The company eventually hit a 52-week low of \$654 last week — a drop of 71% when all was said and done.

But now, Shopify stock is climbing once more. Shares are up a whopping 42% since those 52-week lows, reaching \$928 per share as of writing. So, it looks like that \$1,000 is back in sight. But when could it happen, and what happens next?

Oversold to the extreme

I think it's safe to say that Shopify stock is on its way back to \$1,000.

Shopify stock first got hit by an increase in vaccination rates. The e-commerce industry soared during the pandemic, and Shopify rose right along with it. But with vaccinations up, many believed that e-commerce would come down. Even with the company reporting record results during Black Friday and Cyber Monday.

Yet then things got worse. The tech sector dropped, algorithm changes led to a developer revolt, and then the Ukraine invasion led to even more uncertainty. But this took the [oversold](#) stock to even lower levels, leading to the rise we're seeing today.

Headed to \$1,000?

Granted, Shopify stock did receive a number of downgrades from analysts pretty much across the board. The average target price when from about \$2,400, down to \$1,200, where it is now. Analysts haven't weighed on the stock at all since Feb. 17 — likely because there hasn't been anything from the company either.

And that's the difference. Shopify stock didn't panic, because the situation was global. While it remains unclear as to how permanent supply chain problems, e-commerce sluggishness or otherwise will be, one thing remains clear: Shopify stock was definitely oversold.

Now, shares are back up, and the company is no longer in oversold territory at a relative strength index of 53. However, it could still be considered a deal if it heads back to \$1,000. But will it?

According to analysts, yes

Analysts are split between recommending Shopify stock as a buy or a hold. But when it comes to the share price, analysts across the board peg it at least hitting \$1,006. That alone represents a potential upside of 8% as of writing.

However, the consensus target price remains at about \$1,250. That would give investors a potential upside of a whopping 35% as of writing. Now, again, this is far lower than the \$2,000 and above share price from before. And that comes mainly due to the lower year-over-year growth announced by the company. But that growth remains in the double instead of triple digits. And that makes Shopify stock a solid buy, even as it rises higher and higher.

Shares of Shopify stock were up 6% as of writing for the day and 15% in the last month.

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