



Why Shopify Stock Rose Nearly 15% Last Week

Description

What happened?

Shares of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) jumped by 14.6% last week to \$46.08 per share, starting July on a strong bullish note. By comparison, the **TSX Composite Index** rose by 0.9% in the first week of the month. While the volatility in SHOP stock has increased significantly in the last three weeks, it's still trading with massive 73.5% year-to-date losses.

So what?

Last week, most [tech stocks](#) traded on a positive note after the U.S. Federal Open Market Committee (FOMC) June meeting minutes reaffirmed the Fed's stance to continue with aggressive monetary policy measures to curb inflation. The latest FOMC minutes [cited](#) recent trends in inflation data to point to "a considerable probability" of another 75-basis-point increase in the federal funds rate in July.

Apart from a tech sector-wide recovery, investors' high expectations from Shopify's upcoming earnings event could also be a key reason for fueling a rally in its stock after the tech firm announced July 27 as the date for its second-quarter earnings event.

In another development, on Friday, Shopify completed the previously announced [acquisition](#) of the American e-commerce fulfillment company Deliverr in a transaction worth US\$2.1 billion. SHOP expects merchants on its platform to benefit from this deal by utilizing multichannel inventory management, more flexible logistic services, and reliable two-day and next-day delivery options across the United States.

Now what?

Overall, a tech sector-wide recovery and these company-specific developments helped SHOP stock start the second quarter on a bullish note. However, it may remain highly volatile this week, as stock

investors eye on the Bank of Canada's monetary policy report and interest rate decision scheduled for Wednesday.

Last month, the Ottawa-based tech e-commerce giant announced over 100 product releases, including features like **Twitter** Shopping and Local Inventory on Google. I expect such features to make Shopify's digital commerce platform more attractive for thousands of merchants, helping it grow faster in the long run. While upcoming macro events make buying Shopify stock risky for short-term traders, it still looks highly undervalued based on its improving long-term fundamental outlook.

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

2025/08/28

Date Created

2022/07/11

Author

jparashar

default watermark

default watermark