1 Supercharged Tech Stock Down 74% That Could Help Beginners Make Millions

Description

The Canadian stock market is continuing to struggle in July. After crawling up by nearly 1% in the first week of the month, the **TSX Composite Index** tanked by well more than 3% last week. Concerns about a possible recession continue to take a toll on investors' sentiments. In addition, easing commodity prices have pressurized the commodity-heavy TSX benchmark further.

Why beginners should consider buying tech stocks right now

Technology has been one of the worst-performing sectors on the stock market this year so far. In the first quarter, rising geopolitical tensions, continued supply chain disruptions, and fears about some high-flying stocks being overvalued triggered a crash in tech shares. This selloff extended the second quarter as inflationary pressures and rising interest rates led to a market-wide selloff, also pressuring tech stocks.

Nonetheless, some fundamentally strong tech stocks have silently started recovering in July. While they're outperforming the broader market by a wide margin this month, they still trade with massive year-to-date losses. That's why it could be the right time for beginners to jump into the market and start their stock investing journey by buying some quality growth stocks now. Doing so could help new investors multiply their savings fast and even make millions in the long run.

One supercharged tech stock for beginners to buy now

Shopify (TSX:SHOP)(NYSE:SHOP) is the top Canadian tech stock that market beginners can consider buying right now. While it continues to be one of the worst-performing stocks on the TSX Composite benchmark with its nearly 74% year-to-date losses, it has risen by more than 13% in July so far to $44.23 per share. By comparison, the TSX benchmark was trading with a minor 0.4% month-to-date gain at the time of writing.

Before 2022, Shopify stock consistently inched up in the previous six years. Notably, between 2016 to 2021, the stock yielded an eye-popping 4,792% positive return for investors. In other words, if you'd invested $30,000 in SHOP stock at the start of 2016, it would have turned into $1,467,600 at the end of 2021. By comparison, if you'd invested $30,000 in the TSX Composite benchmark at the end of 2016, your invested money would have grown into only around $48,900 by the end of 2021.

Why new investors should consider buying it now

During the COVID phase, Shopify's sales growth suddenly jumped as restrictions on physical activity accelerated the digital commerce trends, boosting demand for its easy-to-use e-commerce offerings. Bears may try to justify SHOP stock's massive year-to-date losses by pointing to its slowing sales growth in 2022. However, I find this argument worthless, as this temporary sales growth slowdown was expected, and no logical person would expect the pandemic-driven spike in demand to last forever. Moreover, the Canadian tech company is still expected to report solid double-digit sales growth in 2022 compared to the previous year.

Moreover, Shopify's fast-growing customer base and consistently expanding innovative services portfolio, including its recently announced features like **Twitter** Shopping and Local Inventory on Google, could help accelerate its financial growth further in the coming years. Given that, new investors may consider buying now it before it's too late.

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