



Why Shopify Stock Jumped 30% in 5 Days

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) shares surprised investors this week, with the company seeing Shopify stock rise 28.5% in just five days of trading. But what exactly is going on with the e-commerce company? Let's dig in and find out.

What happened?

Shares of Shopify stock are still down by 70% year to date. The company saw shares all but collapse with the fall in [tech stocks](#). Inflation rose and e-commerce sunk, and, therefore, anything related to it sunk as well. That was especially true for Shopify — a company that depends on e-commerce.

Shares have kept dropping, as the company announced it would be expanding its Shopify Fulfillment Network. This move was questioned by shareholders as the expense would be massive — something management may not see back for years.

Then almost two weeks ago, Shopify stock announced the closure of its acquisition of Deliverr. This alone would speed up fulfillment for the company. Yet that wasn't all that happened. Just this week, the company announced a partnership with YouTube. The partnership would allow consumers to purchase products directly from the video site. Users can now upload their Shopify stores to the site, allowing for easier access to purchases and an enormous following.

So what?

Initially, shares didn't move all that much. But from July 14, Shopify stock started to see an upward trend. This actually aligned with recent movement from the **TSX**, which also started to rise about the same time. It's then that investors may have started questioning whether now is the time to start up on growth stocks again.

One of the best growth stocks out there in the past few years has been Shopify stock. Add that to the recent announcements, and you have a company that could see shares starting to recover. The

company hit 52-week lows of \$38.63. As of writing, shares are now up to \$50.56. That's growth of 31% since those lows alone. But in the past week, it's been 28%!

And don't just brush off this YouTube partnership as a ploy. It has real potential. China has seen success with live video-streaming business models that are similar to this. You can purchase products directly from video-streaming sites as you watch a content producer describe them. Given the amount of product discussed on the channel, this could produce a major boost for Shopify stock.

Now what?

Shopify stock is most assuredly not anywhere near its all-time highs at \$222.87, accounting for the stock split last month. However, it's been on an upward trend recently, and only time will tell if it remains sustainable.

However, this could be the time investors were waiting for if they want to hitch on to a rally. That's especially true if you're looking for a long-term hold. These partnerships, acquisitions, and plans show the company is setting up for a long-term business model — one that will stand the test of time. And that means it's certainly not going anywhere.

So, sure, Shopify stock remains down by 70%. But isn't that the best time to buy up a stellar stock during a bear market? Worst case, this company will see its shares certainly rise from these prices, given it trades in a [market correction](#). But best case? You could be buying Shopify stock and never see low prices like these again.

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Date

2025/08/28

Date Created

2022/07/21

Author

alegatewolfe

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