



## Got \$6,000? Here's How You Can Power Your TFSA Portfolio in July

### Description

Those looking to put their annual \$6,000 TFSA contribution to work have some hard decisions to make this year. Indeed, [growth stocks](#) aren't going straight up, as they have the past couple years. Rather, this sector is one that's been hit hard by a number of macro factors.

These macro factors have certainly been at play with growth stocks like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Rising interest rates and the impact of inflation are being felt by e-commerce companies and growth stocks in general.

However, [today's decline](#) of more than 16% at the time of writing appears to be tied to Shopify's announced layoff of 10% of its workforce. Given this material reduction, many are expecting lower growth on the horizon.

Here's why I think picking up shares of Shopify under \$40 makes sense.

### This growth stock still has key catalysts to focus on

Shopify's business model, which caters to small- and medium-sized businesses in the e-commerce space, got a big boost from the pandemic. As more businesses shifted to online sales, Shopify's revenue and earnings surged as well.

However, with the reopening thesis hurting Shopify, many have moved on to other more "stable" areas of the market. That's not to say that the transition to e-commerce is over — just that it's slowed.

That said, those taking the long-term view that e-commerce will eventually win out may want to pay attention to some recent partnerships Shopify has made.

Most recently, Shopify announced a partnership with YouTube to allow merchants to sell goods and services via the video platform. The aim of this partnership is to tap into the growing number of content creators who influence consumer purchasing patterns.

I think this is a key growth driver many investors may want to pay attention to. On-demand video and other integrations in the marketing space should bode well for Shopify over time.

Additionally, Shopify's been busy integrating its platform with other tech behemoths to offer new services. **Apple's** iPhone tap-to-pay feature and integrations with **Twitter** are two examples. The more Shopify's ecosystem grows, the better off investors are, at least from a long-term perspective.

## Bottom line on this TFSA winner

Given the aforementioned catalysts, as well as Shopify's historical performance (still up well more than 1,000% from its IPO), this growth stock is one long-term investors have done well with. Those taking a multi-year or multi-decade view of this space may want to look at this impressive selloff as a compelling buying opportunity.

That's not to say the selling pressure is over. We may be headed lower from here. But at some point, growth stocks like Shopify become very attractive for a TFSA. I think that's where we're at right now.

### 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
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chrismacdonald

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