



Why Shopify Stock Popped 15% Last Week

Description

What happened?

Shares of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) jumped by nearly 15% last week to settle at \$45.31 per share after losing roughly 25% of their value in the previous four weeks combined. By comparison, the **TSX Composite Index** inched up by 2.6% in the week ended on September 9. Despite its recent rally, SHOP stock still trades with massive 74% year-to-date losses.

So what?

Last week's sharp recovery in Shopify stock came after the company [announced](#) some big changes to its top leadership on September 8. The Canadian e-commerce giant promoted its vice president of product Kaz Nejatian to chief operating officer post with immediate effect. It has also hired Jeff Hoffmeister from **Morgan Stanley**, who will replace its current chief financial officer Amy Shapero after Shopify's upcoming quarterly earnings event scheduled for October 27. Apart from a [tech sector](#)-wide recovery, these leadership changes could be responsible for a sharp rally in SHOP stock last week.

Its recent changes in top leadership can be seen as a part of Shopify's ongoing efforts to regain investors' confidence amid its slowing sales growth rate in the post-pandemic era.

Now what?

Shopify has been one of the worst-performing stocks on the TSX so far in 2022. After consistently falling for seven months, the stock showcased minor strength by posting 11% gains in July 2022. But SHOP stock turned negative again in August, as rising fears about a looming recession started haunting investors. While last week's sharp rally has taken it up by 9% month to date in September, continued uncertainties about the macroeconomic environment may keep it highly volatile in the coming months as well.

Despite its roller-coaster ride in the last year, Shopify stock still looks really attractive for long-term

investors, as short-term macrolevel uncertainties might not hugely impact its long-term [fundamental](#) outlook. This could be one of the key reasons why Bay Street analysts' 12-month consensus target price on SHOP stock is \$76.64 per share, reflecting about 69% upside potential from its Friday closing level.

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