



## This Growth Stock Just Bounced 42% in January

### Description

A handful of companies have been making a rebound lately, but one growth stock seems to stick out from the rest. **Shopify** ([TSX:SHOP](#)) climbed 42% in January alone. However, it hasn't slowed down, continuing to climb in February as well.

So, how far could this growth stock go? Or is Shopify stock doomed to fall once more?

### What happened?

There are a few things happening for Shopify stock that have been positive recently. First off, the company made some cost-saving moves for the future that investors were happy with. However, the biggest move was that Shopify stock increased its fees substantially.

This was a smart move, as the company has locked up some huge enterprise clients in the last few year — ones that will need to pay up or go elsewhere. And have you ever tried to create a website? Once you're in, it's pretty hard to get out.

This alone caused shares to climb higher and higher. But if you look, [tech stocks](#) in general have also been on the move. This comes down to a more positive sentiment about the future, as interest rates and inflation have become more and more under control.

Still, is it meant to last?

### Recession incoming

There has definitely been some strong [growth](#) for this growth stock. However, a recession is still yet to arrive. In fact, we have yet to see a decrease in gross domestic product (GDP) quarter over quarter. If that happens in March (which it should) it would *still* take until May to announce a true recession.

This means the summer could be the announcement of a true recession environment. And recession can lead to panic. Just look at the last few recessions and you'll see that while drops happen, the

lowest point of the market usually coincides with the announcement of a recession.

Shopify stock has yet to trade during a recession, so we can't predict how it will be. But we can guess. A recession means cutting back. That could lead to businesses going under, or at least finding cheaper options. It also means less spending — a huge factor for Shopify stock as an e-commerce company.

## What should investors do?

If you need the cash, wait. Shopify stock is a great company, and it's bound to come back eventually. But this year there are too many problems going on for the company to wade through. And, frankly, it doesn't have a great history of dealing with bad times and saving when in the good times.

The future could be more layoffs. It could be more price hikes. It could be sales or other things to bring in cash. We just don't know. But what we *do* know is the future is unpredictable, and we've certainly seen that in the past with Shopify stock.

While shares are up now, I would wait until a recession comes and goes before investing in this company if you need the cash soon. If you don't, however, then any time is a good time to invest! It's very likely Shopify stock at least has enough going for it to make it through a recession and enjoy several great years ahead.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:SHOP (Shopify Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

### PP NOTIFY USER

1. alegatewolfe
2. kduncombe

### Category

1. Investing
2. Tech Stocks

**Date**

2025/08/12

**Date Created**

2023/02/13

**Author**

alegatewolfe

default watermark

default watermark