MercadoLibre Share Price Forecast February 2022 – Time to Buy MELI?

Shares of Latin American e-commerce and digital payments provider MercadoLibre ([NASDAQ: MELI](https://www.tradingview.com/symbols/NASDAQ-MELI/)) are in the green today, after closing at $920.57 as of February 23rd (19:59 EST). MercadoLibre shares received a boost after the company released a robust fourth-quarter financial report. While the majority held the notion that adoption of e-commerce and fintech in Latin America is about to slow, MercadoLibre proved them wrong.

## MercadoLibre – Technical Analysis

The [financial statement](https://www.tradingview.com/symbols/NASDAQ-MELI/financials-overview/) released by MercadoLibre indicated the market cap of the company at $46.451 billion with total assets worth $10.101 billion. Revenue for 2021 was at $ 7.07 billion with a profit margin of 1.18% compared to $3.97 in 2020.

Moving averages such as Exponential Moving Average (10)(1011.86), Simple Moving Average (10)(1053.66), Exponential Moving Average (20)( 1047.98), Simple Moving Average (20)(1051.36) and Exponential Moving Average (30)(1075.15) are indicating a sell action. On the other hand, oscillators such as Average Directional Index (14)(18.48) and Awesome Oscillator(−65.96) are neutral. Some oscillators such as Williams Percent Range (14)(−84.46) and Momentum (10)(−130.30) are indicating buy action.

[su\_button url="https://www.economywatch.com/visit/etoro-stocks" style="3d" background="#fc9525" size="10" center="yes" radius="0"]Buy MercadoLibre Stock with 0% Commission >[/su\_button]

67% of all retail investor accounts lose money when trading CFDs with this provider

## Recent Developments

MercadoLibre was founded by Founder and CEO Marcos Galperin in 1999.  It transitioned its platform to open source technology in 2011, which allowed application interface developers (APIs) to expand the platform's solutions and services. It acquired Portal Inmobiliario, a Chilean classified ad website, in 2014 and Metroscúbicos.com, the portal of Mexico-based real estate company Grupo Expansión in 2015.

MercadoLibre opened its first distribution centres in Argentina, Brazil and Mexico in 2019. It opened new distribution centres in Chile and Colombia. It also secured a massive investment of $1.8 billion in its Brazilian operations in March 2021.

MercadoLibre operates under 5 main business units such as MarketPlace, Mercado Pago, Mercado Publicado, Mercado Shops and Mercado Crédito. The company serves a cash-based economy, where roughly 50 per cent of the population doesn't have a bank account or credit card. The company has since expanded beyond its own platform to other online sales platforms, and also now made the jump to brick and mortar retailers.

According to the company’s fourth quarter, MercadoLibre generated $2.1billion in revenue. This was a result of commerce revenue that grew 67%, while fintech revenue surged 81%. Operating income came in at $23.3 million, compared to a loss of $25.1 million in the prior-year quarter. The company sold 4.7 million point-of-sale devices over the past year.  MercadoLibre continues to gain market share at the expense of the competition while sustaining growth in key business metrics.

## Should You Buy MELI Shares?

Online sales are projected to grow at a compound annual growth rate of 29% between 2020 and 2024, to more than $580 billion in Latin America. This presents a massive opportunity for companies such as MercadoLibre.  The company experienced an e-commerce growth of 68% last year, on top of 75% growth in 2020 in the Brazilian market.  Sales from Mexico more than doubled during the first half of 2021, after 81% growth in 2020. The company has been capitalizing on the mass migration to digital retail.

MercadoLibre has become the leading provider of e-commerce services and digital payments services in the region. It has also expanded its offerings to include merchant and consumer finance, warehousing and cross-docking, shipping and logistics, and others. While its fintech solution is being adapted by other merchants, making the leap to brick and mortar has pushed the company’s total payment volume off the platform up 97% year over year.  With MercadoLibre shares down almost 50%, now is a good time to buy and hold them.

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