2 Stocks to Buy Before the Markets Rebound

Description

With markets down in the past few months, there was one area where investors should really have taken advantage of the market downturn. No, it's not marijuana, and not even energy stocks. It's the tech industry.

On January 19, **Evolve Cyber Security Index ETF** was announced as Canada's top-performing ETF for 2018. Evolve boasted a 19.4% return to its investors for the year, despite the economic slowdown.

The tech industry is booming, and there are a few stocks out there that could give investors some huge returns. Better still, those stocks are still well below fair value, and stand to make some major jumps over the next year.

Today, I'll be looking at **Kinaxis** (TSX:KXS)and **Shopify** (TSX:SHOP)(NYSE:SHOP) to see whether these two tech companies deserve your hard-earned dollars.

Kinaxis

This digital supply chain management company has been almost constantly referred to as a top growth stock that investors should be looking into. The company is almost constantly making partnerships with major companies, with names as big as **Toyota**.

That trend continued recently when the company announced on January 21 that it inked a deal with Novartis AG, a global healthcare company. Kinaxis will be providing the Swiss-based company with its RapidResponse supply chain planning system to drive down costs.

These partnerships have given Kinaxis financials that would make any company green with envy. Once these partnerships really start kicking into gear, plan on seeing even more big names attach themselves to Kinaxis.

With the latest earnings report due March 25, expect some big numbers from this company thanks to all these deals. It's why over the next year analysts project the stock price to grow to between $80 and

$105 per share.

Shopify

It’s exhausting keeping up with the news coming out from Shopify. The cloud-based commerce platform is almost constantly announcing new partnerships and expansion, but now it’s come out with something completely different: television.

The company announced January 23 that it would be launching a television and film content development and production house called Shopify Studios. The initiative will “involve developing, producing and financing projects for both streaming platforms and traditional networks,” according to the *Canadian Press*. Shopify has already signed deals with big production houses such as Anonymous Content (the producer behind shows like *13 Reasons Why*), Spoke Studios, and Saville Productions to develop programs.

And, of course, this isn’t the only great news lately. Shopify has also become the site of choice for selling marijuana across Canada since legalization. The hope is that other countries will see how well the Ottawa-based company handles this task and will sign the company on.

Needless to say, Shopify’s books are solid. The company is swimming in cash, but it’s not just sitting on it. Analysts believe over the next few years Shopify will start buying back shares and could be setting itself up to make a large acquisition in the near future.

With the next earnings report coming out just around the corner on February 12, analysts are expecting more good news from this company. It’s why Shopify has a fair value of $217 per share, with a projected share price of up to $325 by the end of the year.

Bottom line

Both of these companies are great investments if you’re willing to buy and wait. Honestly, you won’t have to wait long to see an increase given that both companies are at a discount. Kinaxis is trading at $74 at the time of writing this article, and Shopify is at $208. That’s a potential increase of 42% and 56%, respectively. And with these companies still in the early days of being on the TSX, investors should see strong returns for years to come.

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1. Investing
2. Tech Stocks

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