2 TSX Tech Stocks to Hold Forever

Description

The S&P/TSX Composite Index was up 24 points at the top of the noon hour on June 13. Energy equities were bolstered by a spike in the spot price in oil. Dovish central banks have also alleviated anxiety in Canadian and U.S. markets to in the first half of June.

Today, we are going to look at two tech stocks that have had a solid run up in June. Should investors buckle in for the summer, or is there too much volatility to add at these prices? Let's dive in.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB) stock was down 1.29% in early afternoon trading on June 13. However, the stock has climbed 9% over the past week. Shares are still up 19.8% in 2019 so far. Early this year, I'd suggested that investors should add BlackBerry, as it slipped below the $10 mark. In an article last weekend, I'd explained why it was a good time to buy again.

The company is expected to release its fiscal year 2020 first-quarter results on June 26. In its fourth quarter and full-year report from fiscal 2019, BlackBerry projected revenue growth between 23% and 27% for this fiscal year. This excited investors and resulted in a spike in BlackBerry's share price. The stock jumped in early June after the BlackBerry Government Mobility Suite achieved Federal Risk and Authorization Management Program Ready status.

Demand for cybersecurity has skyrocketed over the past decade, and BlackBerry has spent that time building trust with private and public spheres. Its $1.4 billion acquisition of Cylance demonstrates that the company is committed to bolstering its offerings as we move into the next decade. There is good reason to have faith in BlackBerry's potential for growth going forward, and its stock is still hovering at the middle of its 52-week range.

Kinaxis

Kinaxis (TSX:KXS) is an Ottawa-based company that provides software solutions for sales and operations planning and supply chain management. This spring, I'd discussed why investors should target AI-focused companies like Kinaxis. Shares of Kinaxis have climbed 10.5% over the past three months.

In the first quarter, the company reported a 24% year-over-year increase in revenue to $45.8 million as subscription term licence revenue jumped 87% to $8.4 million. Adjusted EBITDA rose 29% to $16 million. Kinaxis reaffirmed its full-year guidance in Q1 2019, while it also expects a slightly higher contribution from subscription term licence revenue after a big first quarter.

Automated S&P planning and supply chain management is in high demand, as companies navigate an increasingly complex global economy. Kinaxis's software has been adopted by major companies like Volvo and **Toyota Motors** in the past two years. Canada has emerged as a global leader in AI-focused supply chain management software, and Kinaxis is one of the big reasons why.

Investors may want to await a more attractive entry point ahead of the summer season. Kinaxis stock last had an RSI of 70 as of this writing, which puts it in technically overbought territory.

CATEGORY

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