The Best Stocks to Buy if You're Into AI

Description

It seems like every article lately has been about an incoming recession and how to protect your investments. While these are important, there are some more fun ways to look at the markets right now. One way is to look at opportunities to buy stocks in promising, new areas.

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One such area is that of artificial intelligence (AI), where the prospects for the future is phenomenal. AI is already a large part of our everyday lives, with everything from voice-demand systems to predicting what you might want to buy online. Yet it's only the beginning for this area, with analysts predicting the industry could hit $190 billion by 2025 — a whopping growth rate of 30% per year.

If you're looking for some options, a great place to start is with **Kinaxis** (TSX:KXS), **Shopify** (TSX:SHOP)(NYSE:SHOP), and **Horizons S&P/TSX 60 Index ETF** (TSX:HXT).

Kinaxis

On the surface, Kinaxis can look relatively boring. The company develops supply chain management software for businesses so that these businesses can then synchronize data in a stored cloud. But then Kinaxis takes it a step further; it can help businesses predict what could be possible disruptions and help team members fix those issues before they arise.

So, again, while boring, it's a necessity in the new world we live in. And it's working for Kinaxis. The company recently reported growth in revenue of 9%, with its software as a service revenue growing 18% year over year. By the end of 2019, even with a recession, many analysts believe shares could hit the $100 mark — a potential upside of more than 30% as of writing.

Shopify

While certainly not a bargain, with analysts predicting a huge drop in share price once the recession hits, Shopify is still a strong option for those willing to buy and hold the stock.

The company continues to post strong results, outpacing analyst predictions again and again. Most recently, it reported a 48% year-over-year growth in revenue, as it continues to sign up new clients for its Shopify Plus service, where large businesses pay an annual fee rather than month to month, as its smaller clients do.

AI generates a lot of the company’s success, as Shopify has created a more personalized experience for both its clients and its clients’ customers. It offers a one-stop shop to buy, sell, package, and ship products, with analytics for businesses to see how their business could perform better.

Shopify hasn’t shown any signs of slowing down, so investors should continue to see new ways for AI to be introduced by this company for years to come.

Horizons

If you’re not so into the risk that might come with Kinaxis or Shopify, there are still ways to get involved with AI. One such way is by investing in the Horizons S&P/TSX 60 Index, which offers investors the top 60 stocks on the Composite for an incredibly low fraction of the cost.

It manages this through the use of AI, where its MIND program constantly looks at the top 60 performing stocks and pops them into the company’s ETF. Because it’s a program, it also means incredibly low management fees, so you’re just making money rather than paying for people to make gut decisions. So, for those wanting a bit less risk but still wanting growth, Horizons is definitely the way to go.

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