



## 2 Hot Stocks to Buy as This Industry Gets Set to Explode

### Description

The commercialization of space is already underway. In the past year, the world has seen the birth of an array of industries from space-based medical bioengineering, wines aged in space, and an entire industry based around the servicing of ageing and low-fuel satellites sprang into existence this year.

The [disruptive space-based industry](#) that we're going to take a look at today is space internet, a system that could be up and running sooner than most people may have expected, and one that could be a game changer for internet service providers and their customers around the world.

SpaceX launched 60 satellites Monday in support of its space broadband service. The initiative could be worth billions of dollars in revenue for the company and could get off the ground as soon as next year in the U.S. and Canada. SpaceX will likely dominate the new space internet industry since it can cut costs by using its own rockets.

The breakthrough was the development of the Falcon 9, a low-cost option in an industry kneecapped by expense almost as much as it by gravity. Starlink will consist of hundreds of satellites linked up to provide global internet service even in the most far-flung of locations. The service will quickly become indispensable to industries that operate off the beaten track, such as mining and oil companies.

## Two ways to invest in the satellite boom

**Tesla** is as close as investors can get to SpaceX at the moment, though there is nothing to suggest that the space tech company and sister of the famous car maker Tesla won't eventually file for an IPO at some point. For now, though, tech investors and those interested in breakout industries such as the electric vehicle boom and futuristic satellite services, have a strong play in Tesla.

For investors of a technical bent, Tesla has been looking tasty for some time. After an interesting 12-month period that saw the kind of stocks that Tesla [most closely resembled](#) — the high-momentum FAANGs — take a severe beating, Tesla has come out the other side hot. However, a P/B ratio of 8.8 times may still be too rich for some palates.

Another play for access to the boom in satellite services is **Maxar Technologies**. The space tech leaders have partnered with NASA to help kick-start the satellite servicing industry. This will see satellites refueled and serviced in orbit, extending the shelf life of expensive tech and reducing costs to businesses that rely on orbital hardware.

Maxar is also a buy based on its value fundamentals. Even with minimal growth, Maxar could reward with significant upside, but the possibility for almost unlimited capital gains exists in the space industry, and Maxar is in an excellent position to bring home the bacon. With the potential to clean up its balance sheet and land a slew of headline-grabbing deals over the coming years, the stock is a strong buy.

## The bottom line

Investors eyeing Tesla may want to wait for its current price volatility to settle down before stacking shares to hold for long-term capital gains. In the meantime, Maxar is a pure-play option for direct exposure to the soon-to-boom satellite industry.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:MAXR (Maxar Technologies)

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