



For High Growth in Stocks, Investors Should Look to the Stars

Description

Growth investors should set a space aside in their stock portfolios for the space industry. There are plenty of stocks an investor coming to this huge growth industry for the first time can choose from. However, unless you want to invest in a start-up, a safer play for buy-and-hold strategists might be blue-chip companies.

A high-growth, trillion-dollar industry

Some of the biggest companies in the world are getting into the space industry. **Amazon** is an obvious choice for its Blue Origin connection and is also a low exposure route with a strongly diversified play on internet retail. Another strong choice for a big-name play would be **Rio Tinto**, one of the world's largest miners and a first choice for low-risk stockholders looking to gain [exposure to off-world mining](#).

Former president of Blue Origin and founder of Delalune Space, Rob Meyerson, recently laid out his vision for space industry in an interview for Politico:

"I think when you look to the middle of the next decade you're going to have commercial space stations, commercial transport from Earth to low-Earth orbit and from low-Earth orbit to lunar orbit, and commercial transport to the surface of the moon. And I think that infrastructure is going to form the basis for a marketplace where other companies start to build businesses on top of that."

A strong play for value and growth

Another strong play would be **Maxar Technologies** ([TSX:MAXR](#))([NYSE:MAXR](#)) for its ties with NASA and trailblazing involvement in the satellite servicing industry, a new business model that could really take off as more orbiting tech enters the near-Earth zone on a continual basis. With the satellite fleet growing by the hundreds, the servicing industry could become a growth industry in its own right.

Maxar also pays a small dividend, currently yielding 0.3%. The company has [seen its share price tumble](#) in the past couple of years, selling in the \$85 range at its peak at the end of 2017. There was another significant peak last year, with the stock recovering to around \$70. Since then, the stock went into a serious decline, at one point selling for around \$5. Today's \$14 price tag is still seriously cheap.

Investors looking for a wild ride might want to check out a hot IPO that just appeared on the NYSE. **Virgin Galactic** is a pure play on space tourism, and while that carries the inherent risk of any niche stock, it's the first of its kind and could fit the speculative section of a space industry segment in a growth stock portfolio. The stock has shed 38% since debuting, as the share price settles, so wait for the bottom.

The bottom line

Valued in the trillions of dollars over the next couple of decades, the space industry is a major growth trend. While practically every terrestrial sector likely to see a space segment of its own as off-world industry becomes a reality, there is already upside potential in existing enterprises. Maxar makes for a particularly strong play on value and growth potential in this space.

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1. NYSE:MAXR (Maxar Technologies)

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