



## This Super Stock Has Defied the Bear Market

### Description

The bear market continued to roar on March 17, as the TSX index plummeted 1,355 points — a huge 9.8% percentage drop.

This [bear market](#) has spared no sector. Canadian cities are beginning to take measures that we have seen other nations across the world adopt. Toronto health officials have called on all restaurants and bars to stop serving customers food and drink inside their establishments and offer only takeout and delivery to further contain the COVID-19 outbreak. Amid these momentous shifts, there has been an increase in panic buying.

Readers who have visited grocery stores and big-box retailers will be familiar with this scene; empty shelves stripped of items like toilet paper, canned food, and bottled water. Canadian government officials have assured shoppers that shelves will be restocked and to avoid panic buying that will deprive regular shoppers of essential items in the near term. Supply chains are largely intact, at least so far.

## One tech stock that is defying this bear market

Over the course of this rapid descent into a bear market, **Kinaxis** ([TSX:KXS](#)) has managed to outperform all of its peers. The Ottawa-based supply chain software solutions company launched on the TSX back in 2014. Its shares are still in the black in 2020 as of close on March 16. Tech stocks in North America are reeling in this bear market, so Kinaxis's strength is notable.

As Kinaxis sums up on its site; "Supply chains are complex and unpredictable. Last-minute opportunities. Unexpected threats. Day-to-day disruptions." The global outbreak of COVID-19, a crisis no one could have seen coming a year ago, illustrates how crucial it is for companies to modernize supply chains. As bad as the bear market has been, a supply chain crisis would be catastrophic.

I have been bullish on Kinaxis since its launch. In the summer of 2019, I'd discussed why Kinaxis was one of [my favourite IPOs](#) of the previous decade. Kinaxis is one of the main reasons Canada has emerged as a global leader in supply chain software solutions. The magnitude of this crisis will not be

fully understood for months, but we are already seeing pressures being applied to supply chains around the world.

A year ago, the rise of global trade tensions was just one reason demand for supply chain optimization was rising. Kinaxis has pushed to utilize machine learning to bolster its RapidResponse product. So, investors who are looking for exposure to artificial intelligence development should look hard at Kinaxis right now.

Kinaxis released its fourth-quarter and full-year results for 2019 on February 25. Fourth quarter SaaS revenue rose 26% year over year to \$32 million, and it posted full-year SaaS revenue growth of 22%. Total revenue increased 27% year over year in 2019. Adjusted EBITDA climbed 38% to \$57.7 million. Kinaxis is in a fantastic position heading into fiscal 2020. Demand for supply chain optimization will continue to increase, as this crisis has highlighted the importance of companies being prepared for just about anything.

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