

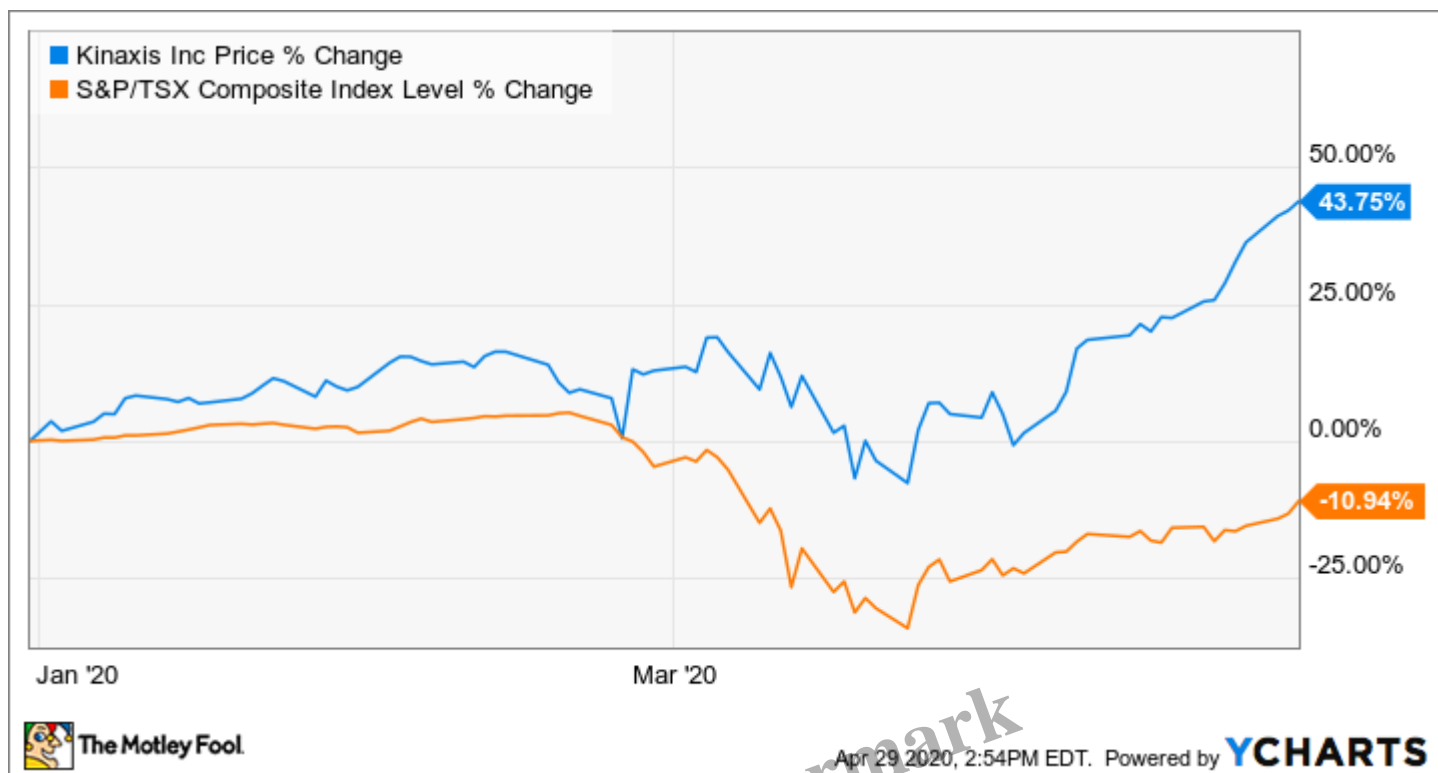


## Got Bear Market Blues? Here's 1 Great Stock to Buy Today

### Description

A bear market is a great time to identify winning stocks to buy. Stocks that seem largely unaffected by the market volatility are dependable stocks to hold for the long term. Although the **S&P/TSX Composite Index** may be down 10.94% year-to-date, there are still great stocks to buy on the **Toronto Stock Exchange**.

**Kinaxis** ([TSX:KXS](#)) is a great stock to buy today while the market is down as a result of the Covid-19 health crisis. This technology stock started to dip along with the S&P/TSX in March only to rebound more quickly than the index. Kinaxis is already up 43.75% year-to-date, 54.69% higher than the index as a whole.



## Cover your stock positions with options

We are hoping that the market continues to rebound from the market bottom. That is the most likely scenario. Nevertheless, it never hurts to integrate [a strong options strategy](#) into your positions.

You can buy 100 shares of Kinaxis for \$14,180, at \$141.80 per share as of Wednesday, May 15. \$145 strike call options are selling for \$4.05 per share, or \$405. The call option gives the buyer the right to your shares if the price of Kinaxis stock rises above the \$145 strike price.

If the buyer exercises the call option by May 15, you earn \$320 or a 2.26% return. Further, you can always buy back into your position at a later time (preferably for a price lower than you sold at).

With the premium you receive from the buyer of the call, you can ensure your stock position by purchasing a May 15 \$135 strike put option. As of Wednesday, the put option is selling for around \$350. Plus, you can keep the difference between the price of the call and the put, which amounts to about \$55.

Even better: the put option gives you the right to sell the stock for \$135 if the price of Kinaxis stock falls below \$135 by expiration. If the stock price does decrease to \$135 or less, you will only lose \$680 on the position or 4.8% of your initial investment.

## Bear market sentiments can't harm Kinaxis

Kinaxis, a Canadian supply chain management software firm, has a stellar reputation among investors and consumers. The company initiates progressive inclusivity programs to enhance diversity and

promote equality. These values resonate among all demographics, especially Millennials.

Taking a stance on #neurodiversity – #Kinaxis president being human, shares that 1% of staff hired will be on autistic spectrum.

— Rani Pendse (@RaniPendse) November 27, 2019

The last thing you need to do is buy stocks in companies bombarded with bad public relations. Pick stocks with demonstrable values; actions speak louder than words. Kinaxis walks the walk, not just talks the talk.

Further, the stock is in a prime industry for a bear market environment. Supply chain management will be a key driver of growth as these networks become increasingly regulated and complex. Analysts estimate Kinaxis growth will be around 7.10% next quarter.

## Foolish bear market takeaway

Now is the perfect time to invest in technology stocks like Kinaxis. They are largely unaffected by the coronavirus health crisis. In fact, people are becoming even more reliant on technology in the age of social distancing.

Try buying stocks like Kinaxis and covering your position by selling calls and buying puts. It is the best strategy to purchase insurance without paying a cent.

### CATEGORY

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

### TICKERS GLOBAL

1. TSX:KXS (Kinaxis Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

**Date**

2025/08/26

**Date Created**

2020/05/01

**Author**

debraray

default watermark

default watermark