Got $5,000? Wait For This TSX Stock to Plunge Then Buy!

Description

Venturing into the stock market these days is quite risky. The TSX has been behaving in a bizarre, if not confusing, manner. However, there are still opportunities you can find that will enable a small capital to grow.

If you have $5,000 in free money to invest, a tech stock should be the red-hot asset in the post-coronavirus era. **Kinaxis** (TSX:KXS) is already at centre stage while COVID-19 continues its rampage. Momentum is on its side, although the price could plunge if the general market contracts again. If it does, buy the stock.

Inevitable transformation

The transformation of the global supply chain model is inevitable and will be occurring soon. The spread of COVID-19 is the primary cause of business slowdowns and supply chain disruptions we see today. Many companies across various industries are preparing for the new challenges in the aftermath of the pandemic.

A new supply chain model is coming. It will help big and small companies mitigate or better manage supply chain risks and disruptions. The pillar of this model is supply chain technology. Corporations that will use or deploy the emerging technology will have end-to-end supply chain visibility.

COVID-19 will sideline many businesses, but others will emerge to become the new profit machines. Kinaxis is a $4.55 billion company that provides cloud-based subscription software for supply chain operations.

Phoenix rising

Kinaxis should be rising like a phoenix when the 2020 catastrophe is over. The tech stock's performance so far is fantastic. The price crashed to $92.33 on March 23, 2020. But after the fall, it saw a meteoric rise. As I am writing, Kinaxis shares are trading at $171.72, which is a stunning 86%

jump. Year-to-date, the gain is 71.7%.

As mentioned earlier, this tech stock has built momentum. What is surprising is that a consistent uptrend is happening even amid the market volatility. You would be lucky to buy Kinaxis at a knocked-down price.

Investors should watch this stock closely from here on. Kinaxis is well-positioned to deliver substantial investment profits in 2020 and the coming years. Its products and services are the vital needs of companies. Companies in various industries looking for solutions to complex supply chain problems or bottlenecks will run to Kinaxis for help.

Impressive numbers

Kinaxis is on a roll judging from the first-quarter earnings results. It’s all growth in two important metrics. Total revenue and software-as-a-service (SaaS) revenue grew by 15% (to $52.8 million) and 24% (to $34 million), respectively.

The primary growth driver is the expanding base of multi-year subscription contracts and corresponding long-term backlog. In 2020, Kinaxis expects full-year revenue to be between US$211 million and US$215 million. The SaaS should be posting a 23% to 25% growth.

Only the beginning

Riding out the COVID-19 shocks and overcoming heightened volatility is only the beginning. Kinaxis is going full steam as supply chain dynamics change in the post-pandemic era.

According to Kinaxis President and CEO John Ernest Sicard, healthy growth in the overall pipeline from every sector and every geography is evident. The company is pushing forward and ready to meet the strong demand.

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