$3,000 Invested in This Top Canadian Tech Stock Could Make You Rich

Description

Perhaps this is unsurprising to hear considering what's transpired this year, but the market volatility that investors have witnessed in 2020 has been off the charts.

At one point, the **S&P/TSX Composite Index** was down 35% year to date. The brunt of that 35% was done in just one month. The Canadian market dropped an astounding 37% from mid-February to the end of March.

Even with that record-breaking drop of 35%, the Canadian market is now down just 10% year to date. After the market hit its low of 2020 on March 23, it then went on an absolute tear for the next month. The market ran 35% in just over one month.

Years like this one are a good reminder as to why it's great to be a long-term Foolish investor. When you buy truly great market-leading companies and hold for the long term, you don't need to worry about the short-term volatility.

Technology stocks are holding up well this year

Some industries have been hit harder than others this year. The tech industry is one that has fared better than most. Many top Canadian tech stocks are back to trading at all-time highs today.

One tailwind that has benefited tech stocks has been the global shift to employees working from home. Now more than ever, companies are relying on its technology infrastructure to allow employees to transition as seamlessly as possible to a work-from-home environment

I've written about a top tech stock that might not be a household name for many Canadian investors. Although the company may be trading at an all-time high today, there are still plenty of reasons to be bullish on the future of this company.

Kinaxis

Headquartered in the nation's capital, this tech company is in the business of providing cloud-based software to supply-chain operations. **Kinaxis** (TSX:KXS) went public in 2014 and is now valued at a market cap of $5 billion.

Year to date, the stock price has almost doubled. The extremely impressive growth is a testament to not only the value of Kinaxis's products and services but how essential they are, too. Many companies across the globe have had supply-chain operations largely disrupted this year while trying to cope with the effects of the COVID-19 pandemic.

As it may take years for some companies to rebound from this damaging year, Kinaxis should expect to see revenue continue to grow, as customers will increasingly depend on its supply-chain expertise in the near-term future.

Growth through acquisitions

The fast-growing tech company has also integrated an acquisition strategy to help accelerate revenue growth. The most recent acquisition was a US$60 million purchase of the tech company Rubikloud.

The company is an AI-based retail and consumer packaged goods (CPG) demand-planning provider. Management explained that the acquisition will help Kinaxis significantly expand its product offering to CPG clients. Perhaps even more importantly, management highlighted this acquisition will act as a stepping point for the company into the enterprise retail industry.

Foolish bottom line

Kinaxis might not be the most sought-after company in the Canadian stock market, but its performance speaks for itself. Even after seeing its stock price almost double this year, the company is still working aggressively through acquisitions to help gain market share in the supply-chain industry.

For any Canadian investor that has a time-horizon of a minimum of five years, this is one company I would be seriously considering buying soon.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

POST TAG

1. Editor's Choice
2. tech stocks
3. tsx tech

TICKERS GLOBAL

1. TSX:KXS (Kinaxis Inc.)

PARTNER-FEEDS

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

Category

1. Coronavirus
2. Investing
3. Tech Stocks

Tags

1. Editor's Choice
2. tech stocks
3. tsx tech

Date
2025/08/22
Date Created
2020/06/23
Author
ndobroruka