



Where to Invest \$5,000 Right Now

Description

It looks like things might be changing in today's market. A solid market rally has been underway since the crash in mid-March, but in June it looks like that rally could be coming to an end. There has been a tapering off in the stock market. The **S&P/TSX Composite** is just one example, trading at around \$15,500 per share since the beginning of June. Granted, the news of more jobs and reopening throughout the country has created some positive momentum, but not much. So, what's going on?

Analysts keep saying that further market dips could be down the road. That's likely for a number of reasons. While more jobs have been created, more jobs are likely to be lost as well. The COVID-19 pandemic is far from over. That means social distancing will still be very much part of our future, and production from huge companies across the board will continue to be affected. Practically no business is safe.

What should investors do with all this volatility today and in our future? Instead of focusing on stocks that are likely to react to the markets, whether that be a market rally or not, find the long-term stocks that will soar. In particular, the digital space stands to make huge gains now and in the future due to changes from the pandemic.

Here's where I would invest.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) took its experience from creating the infamous mobile phones and put it towards something everyone can use: cybersecurity. For the last five years, the company has made the shift into the [cybersecurity](#) space, where businesses across the board can use the company's software. Whether you need to protect your data with employees working from home or are creating autonomous vehicles, BlackBerry has you covered.

As BlackBerry continues to grow in this new space, it continues to also bring on bigger acquisitions and clients. The Cylance purchase was huge, helping the company prevent rather than react to data breaches. The company is now planning to go back to its roots, offering a mobile threat defence

solution this year.

Whatever the company is doing, it's working. Its last earnings report saw more gains while other industries sunk. BlackBerry had 13% growth in non-GAAP revenue year over year, and non-GAAP software and service revenue growth of 16%, both record quarterly highs, with free cash flow at \$32 million.

While COVID-19 isn't an ideal situation for anyone, BlackBerry shouldn't be hurt all that badly from the virus. In fact, it may even benefit, as it can take this opportunity to prove its worth. The more clients continue to come on while employees work from home, the bigger those clients will eventually become.

Kinaxis

The same people that need more cybersecurity are also the ones that need supply chain management. In commerce, this is the management of the flow of goods and services. This can be the movement and storage of materials, inventory, and finished goods, as well as order fulfillment. With e-commerce seeing a huge boom [during the pandemic](#), that makes a company like **Kinaxis** ([TSX:KXS](#)) sorely needed.

Kinaxis is already ahead of the game as it mainly serves large companies, with contracts running between two and five years. About 77% of its revenue came from these subscriptions, and the rest from professional services. That's secured revenue coming in even during a downturn, and many more clients likely looking to upgrade their services as e-commerce demand continues.

Again, we see the proof in the company's earnings. During the last report, Software-as-a-Service revenue grew 26%, with full-year revenue growing 22%. Quarterly total revenue for 2019 grew by 47%, with adjusted EBITDA increasing 32% for the quarter.

Of course, the one thing to note is that while BlackBerry looks like a deal, Kinaxis has a sky-high price-to-earnings ratio of 245.46 as of writing. It's currently trading at all-time highs, but analysts aren't so sure it's going to crash land any time soon. The company looks solid as a rock and should continue to bring on more clients even with the pandemic.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:KXS (Kinaxis Inc.)

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