These 3 Stocks Are the Most Likely to Skyrocket in 2020

Description

While it's hard to peg *any* stocks to skyrocket in a year that has already seen one crash and a prolonged recovery and is expected to bring around a long-drawn recession, there are some contenders. But it's more than just about the fundamental merits of the companies and the strength of the stocks. It's about the sector they are in.

Tech has been the star sector of this pandemic, and while most companies in other sectors were still trying to navigate their plummet down the pre-pandemic high, some tech stocks had already recovered. This is why three tech stocks, **Descartes Systems Group** (TSX:DSG)(NASDAQ:DSGX), **Blackline Safety** (TSX:BLN), and **Converge Technology Solutions** (NASDAQ:CTSH), might have what it takes to skyrocket in a dismal year for the stock market.

Logistics and supply chain tech stock

Descartes Systems is a cloud-based supply chain and logistic solution provider, with over 20,000 customers worldwide. The company offers cloud-based SaaS (Software as a Solution) that help companies consolidate their product delivery resources under one comprehensive system. They also integrate e-commerce and billing features like invoicing into their delivery software.

The pandemic has been especially fruitful for many e-commerce related businesses, and Descartes is no exception. But 2020's growth spurt isn't a one-time fluke. The company has been growing steadily for the past decade. As e-commerce business is expected to continue rising this pandemic-driven wave into the future, Descartes might keep up its rapid growth pace in 2020. The company's balance sheet is strong and has almost no debt.

A safety company

[Blackline Safety](#) is a relatively small tech company that's trading on the junior exchange. It has been around since 2014, and it's one of the global leaders in lone-worker safety monitoring and communication devices.

They have a range of gas detectors and communication devices that allow lone workers to stay connected to their headquarters, detect environmental anomalies, and help them with evacuation if anything goes wrong.

The current primary market for Blackline Safety's products is energy companies like Shell and Enmax, but Blackline is striving to expand its sphere with its new line of sensors – G7.

The stock is currently trading at $6.15 per share, and it's still about 15.5% down from its pre-pandemic high. It has shown robust growth in the past five years, with a compound annual growth rate (CAGR) of about 24.7%.

A new tech company

Converge Technology Solutions is a Toronto-based company, founded in 2016. The $149 million market-cap company provides IT solutions and services (that include cybersecurity, managed services, advanced analytics, and cloud computing), to various industries. It has various subsidiaries and offices in the UK, Canada, and the US.

The company hasn't been around for a long time, but its current growth pace is impressive. Its one-year returns are over 53%, and its cash from operating activities growth is substantial. The balance sheet is a bit weak since the company has incurred a lot of debt, but if it continues to build assets and increase its market value, it might be a powerful player in the sector in a few years. Currently, it's trading at $1.56 per share at writing.

Foolish takeaway

Tech stocks *can* skyrocket in 2020, but it's not just because of their organic growth. It's also because the platform beneath (the broader market), isn't rising as fast. It has always been the lightweight sector in the TSX, with few big players, but the situation might change in a few years.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:CTSH (Cognizant Technology Solutions Corporation)
2. NASDAQ:DSGX (Descartes Systems Group)
3. TSX:DSG (The Descartes Systems Group Inc)

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Date
2025/07/01
Date Created
2020/08/07
Author
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