



## Stock Market Crash: These 2 Stocks Can Convert Your \$10,000 Into \$20,000

### Description

The stock market saw a correction in early September, as investors cashed out on profits. The **TSX Composite Index** dipped as much as 4.1% before returning to growth. There were fears that the dip could be the start of another market crash, but these fears eased with this week's rally. One good thing that happened in this correction is that the high-growth virus stocks that peaked in the stock market rally dropped the most. This drop created an opportunity to buy these stocks at a discounted price.

### Two stocks that can double your money in a year

The COVID-19 pandemic changed the way people live. It accelerated the move towards digitization, making remote working, online shopping, e-learning, and digital payments the new normal. Stocks of companies that facilitated this move surged to new highs.

Stocks with exposure to e-commerce, **Shopify** and **Lightspeed POS** ([TSX:LSPD](#)), surged 180% and 300%, respectively, from their March lows. Logistics stocks that facilitate order deliveries, **Kinaxis** ([TSX:KXS](#)) and **Cargojet**, surged 140% and 159%, respectively. Investors who'd purchased these stocks during the pandemic-driven lockdown doubled and tripled their money in six months.

But these stocks dipped significantly in the recent market correction, as investors cashed out some of these profits. For instance, Shopify and Lightspeed fell more than 17% in early September after reaching their all-time high. Kinaxis and Cargojet fell 16% and 9%, respectively.

These stocks still have the potential to return to their 52-week highs and even surge past that. If you missed out on their last six-month rally, here is an opportunity to enjoy the rally. Instead of investing in all four stocks, you can invest in Kinaxis and Lightspeed.

### Kinaxis stock

Kinaxis provides supply chain management software to large enterprises with complex supply chains.

Like all enterprise software companies, it earns lump-sum money by licensing its software, and then recurring revenue from maintenance and professional services. It has transformed licensing software to the software-as-a-service (SaaS) model, where it earns money through subscription fees.

The SaaS model helps Kinaxis generate more revenue by pricing its model depending on the number of users, locations, and the size of the customer. Large enterprises sign long-term supply contracts that make Kinaxis's cash flows predictable, allowing it to prepare for any crises beforehand. Moreover, its top 10 customers account for 31% of its revenue, with no single customer accounting for more than 10% of its revenue.

During the pandemic, when most companies refused to provide earnings guidance, Kinaxis [reiterated its full-year 2020 guidance](#) on the strength of its order backlog and current sales pipeline. The company saw some delays in renewals and new contacts, but existing customers renewed their contracts for longer terms. Certainty played well for Kinaxis in these uncertain times, growing its stock by 100%.

## Lightspeed stock

Lightspeed POS underwent a sea change this pandemic. It changed its physical store-driven business model to an e-commerce-driven model. The company provides omnichannel solutions that help retailers and restaurants manage their inventory, payments, marketing, and orders across different locations. As the pandemic shifted physical store traffic to online stores, Lightspeed enhanced its e-commerce offerings.

Retailers and restaurants can now open their online stores, allow customers to book appointments, make orders in advance, make payments, schedule deliveries, and much more. Lightspeed combines the online and physical store experience, giving customers the best of both worlds. Its efforts materialized into an uptick in subscriptions. Lightspeed is now launching an [initial public offering on the New York Stock Exchange](#).

## Investor corner

Stocks of Kinaxis and Lightspeed were growing even before the pandemic. Their stocks surged 60% and 90%, respectively, last year. The pandemic accelerated their growth. You might argue that these stocks are trading at their three-year high valuations; Lightspeed is trading at 21 times its sales; Kinaxis is trading at 17.7 times its sales.

But they have the potential to thrive in the post-pandemic economy and double your money in the next 12 to 18 months. If you invest \$5,000 in each of the above two stocks, they can convert it to \$20,000 by the end of 2021.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

## TICKERS GLOBAL

1. TSX:KXS (Kinaxis Inc.)
2. TSX:LSPD (Lightspeed Commerce)

## PARTNER-FEEDS

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

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