2 e-Commerce Giants to Buy to Avoid Supply Chain Issues

Description

As we inch closer to the end of the year, the holiday season will soon be upon us. The e-commerce industry has been a fantastic boon for investors through the pandemic as it stepped up to cater to consumer needs when they were forced to stay at home. It would make sense to think that investing in any e-commerce stock could be an excellent move for your portfolio.

However, supply chain difficulties became a significant problem as the world became increasingly reliant on online shopping. Supply is facing an uphill climb to keep pace with surging demand as the holiday season approaches. Combined with labour shortages due to COVID-19, the e-commerce industry could be in deep trouble.

However, not every company in the e-commerce industry faces these challenges. There are a few e-commerce stocks that you could consider adding to your portfolio if you are worried about supply chain issues causing disruptions in the industry.

Today, I will discuss two e-commerce stocks that you could consider adding to your portfolio to help you determine whether they could be excellent value stocks or assets to stay away from as the year ends.

Kinaxis

Kinaxis (TSX:KXS) is an Ottawa-based $5.66 billion market capitalization supply chain management and sales and operation planning software company. The company provides supply chain solutions through AI and data to large businesses, allowing them to enjoy more streamlined supply chains.

2021 has been a terrific year for the company as it reported a record number of new customers acquired by the business. The need for its services will only increase as it becomes increasingly clear that supply chain issues are not going anywhere soon. As supply chain issues continue to be at the centre of boardroom conversations, Kinaxis stock is well-positioned to benefit from the surging demand for its services.

At writing, the stock is trading for $204.89 per share, up by 12.88% year to date, and it could have a long way to deliver shareholder returns through capital appreciation.

Canadian Tire

Canadian Tire (TSX:CTC.A) is another stock you could consider investing in if you are worried about supply chain issues impacting e-commerce companies. The company has its own storage facilities and providers, allowing Canadian Tire to circumvent many of the issues that other e-commerce companies might face.

Canadian Tire is already benefitting from higher online sales through its e-commerce segment. Reopening physical locations has allowed it to boost in-store sales as well, just as the holiday season arrives. Company CEO Greg Hicks noted that its e-commerce sales remain at twice the pre-pandemic levels. Combined with greater in-store sales, the company is well-positioned to deal with the holiday season sales.

At writing, the stock is trading for $174.05 per share, and it is down by 18.22% from its May 2021 high. Adding its shares to your portfolio could set you up for significant wealth growth through capital appreciation as its share prices go through an upside correction in the coming months.

Foolish takeaway

Kinaxis is a company that offers a solution to streamline supply chains, and Canadian Tire is a defensive company that's well-positioned to steer clear of supply chain disruptions. If you are worried about the impending problems for the e-commerce industry in the holiday season affecting your investment returns, you could consider allocating some of your investment capital to these two companies.

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2. TSX:KXS (Kinaxis Inc.)

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adamothman