Three Top Cybersecurity Stocks to Own for 2020

Over the last few weeks, we’ve highlighted many opportunities.

- Charles Schwab (SCHW) ran from $38.70 to $48.11 – Sell for a win
- E-Trade Financial (ETFC) ran from $38.85 to $45.67 – Sell for a win
- Ameritrade (AMTD) ran from $36.05 to nearly $50.20 – Sell for a win
- Amazon (AMZN) ran from $1,715 to $1,786.49
- Ulta Beauty (ULTA) slipped from $236.08 to $252.06
- UPS (UPS) ran from $114.10 to $118.25
- Keurig Dr. Pepper (KDP) ran from $27.50 to $28.90
- Planet Fitness (PLNT) ran from $60.15 to $73.75
- Johnson & Johnson (JNJ) popped from $129.50 to $146 – Sell for a win
- Interactive Brokers (IBKR) did pull back from $48 to $47.10
- Aphria Inc. (APHA) fell from $5 to $4.88
- Qualcomm (QCOM) ran from $81.15 to $88.71
- Beyond Meat (BYND) fell from $82.04 to $77.27
- General Electric (GE) ran from $10.93 to $11.04
- Mattel Inc. (MAT) ran from $12.19 to $13.65
- Shake Shack (SHAK) ran from $59.20 to $61.34
- Chesapeake Energy (CHK) ran from 57 cents to 92 cents – Sell half for a win
- Twilio Inc. (TWLO) slipped from $104.26 to $100.95
- Nektar Therapeutics (NKTR) slipped from $20.53 to $21.62
- Canopy Growth Corp. (CGC) ran from $18.30 to $19.67
- Kohl’s Corp. (KSS) fell from $48.20 to $50.12
- Home Depot (HD) ran from $213.80 to $220.76
- Micron Technology (MU) ran from $45.92 to $55.31
- Inseego Corporation (INS) ran from $7.06 to $7.20
- Digital Turbine (APPS) fell from $8.01 to $7.70 so far
- Stitch Fix (SFIX) ran from $25.71 to $26.52

Not bad at all. The best part – we just found another three trades that could double, if not triple as cybersecurity issues again take center stage.

A cyberattack just forced RavnAir to cancel flights in Alaska over the weekend after a “malicious cyberattack” on its computer network.

CBS reported that over 267 million Facebook users just had their personal information exposed in a massive data breach. “Security researcher Bob Diachenko reportedly made the disturbing find on Dec. 14. Diachenko and U.K. technology research firm Comparitech believe the unprotected database was left open on the dark web for nearly two weeks,” they reported.

Wawa had a nine-month data breach that could have impacted millions of customers. Apparently, the company’s security team discovered malware on payment processing servers on December 10, 2019 months after it hit customers on March 4, 2019. It affected payment card information including credit and debit card numbers, expiration dates, and card holder names.

Plus, “In 2019, we saw cyberattacks on our government trickle down from large agencies to smaller local municipalities and schools,” said Dave Wagner, CEO, Zix. “That follows the pattern we’ve seen in
business, where attacks have expanded from big corporations to small- and medium-sized businesses. While these attacks can originate from anywhere, the survey data shows that SMBs believe foreign actors and even nation-states may be targeting them as a first step toward access to larger companies or government agencies."

All of that is again highlighting the need for better cyber security, which is beneficial for related stocks, including the following:

**Zix Corporation (ZIXI)**

Zix Corporation provides email encryption, data loss prevention (DLP), threat protection, archiving, and bring-your-own-device mobile security solutions for the healthcare, financial services, insurance, and government sectors primarily in the United States. The company offers ZixEncrypt that bundles email encryption and DLP capabilities to enable the secure exchange of email; ZixProtect, a cloud-based service that defends organizations from zero-day malware, ransomware, phishing, CEO fraud, W-2 phishing attacks, spam, and viruses in email; and ZixArchive, a cloud-based email retention solution that enables user retrieval, compliance, and e-discovery. It also provides ZixOne, a mobile email app, which offers mobile access to corporate email and does not allow data to be persistently stored on employee’s device.

**Rapid7 Inc. (RPD)**

Rapid7 Inc. (RPD) provides security data and analytics solutions that enable organizations to implement an analytics-driven approach to cyber security and IT operations. It offers threat exposure management solutions, including Nexpose, which enables customers to assess and remediate their exposure to cyber risk; Metasploit, a penetration testing software solution; and AppSpider, an application security testing solution.
The company also provides incident detection and response solutions, such as InsightIDR, a cloud-based offering for incident detection and response; Managed Detection and Response, a managed service, which provides customers with attacker behavior analytics, machine learning algorithms, and threat intelligence to hunt attackers; and incident response services that provide customers with access to security experts and experience.

**Pure Funds Security ETF (HACK)**

We can also look at the Pure Funds Security ETF (HACK), which jumped from a 2016 low of $19 to $42 this year. It’s sure to draw more interest especially as threats worsen. The ETF has holdings in Fortinet Inc., Check Point Software, CyberArk Software, Imperva Inc. FireEye, Proofpoint and dozens more.
The beauty of holding an ETF is the diversification and cheaper cost.

If we were to buy shares of each stock this ETF holds, it would cost us thousands of dollars. But, at just $42 a share, you have exposure to most of the heavyweights. HACK holds 47 stocks and its top 10 holdings combine for about 45% of its weight.