

# Stock Market News

May 2021

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# STOCKS TO WATCH THIS WEEK

## INTERNATIONAL BUSINESS MACHINES CORPORATION, ( IBM )



IBM is a multinational technology company that has operations in over 170 countries. It produces and sells computer hardware and software, while also providing hosting and consulting services.

Furthermore, it is a major research organization, holding the record for most U.S. patents generated by a business for 28 consecutive years. The company has five segments in the tech industry. It includes cloud and cognitive software and also global technology services.

**IBM stock currently trades at \$145.46 as of 5 May 2021.**

IBM recently announced that it will acquire Turbonomic, an application resource management (ARM) and network performance management (NPM) software provider based in Boston. The acquisition will provide businesses with full-stack application observability and management to assure performance and minimize costs using AI to optimize resources. We expect IBM to continue with the upward trend.



# ZOOM VIDEO COMMUNICATIONS INC.



Zoom is a communications technology company that is headquartered in San Jose, California. The company is a provider of video-first communication platform and web conferencing services.

It offers a cloud-native platform, which unifies cloud video conferencing, online meetings, group messaging, and a software-based conference room system.

**ZM stock currently trades at \$301.47 as of 5 May 2021.**

Early last week, the company also announced the Zoom Apps Fund, a new \$100 million venture fund created to stimulate the growth of the company's ecosystem of Zoom Apps. Portfolio companies will receive initial investments between \$250,000 and \$2.5 million to build solutions that will become core to how Zoom customers meet, communicate, and collaborate.

Zoom is here to stay and has plenty of long-term growth ahead. For the sector, he sees a \$60 billion market opportunity that is poised for more cloud migration. Given how the pandemic had provided the sector with a catalyst, Zoom could potentially grow even further post-pandemic.



Source: finviz

# AMAZON.COM INC.



The company reported net sales of \$108.5 billion in the first quarter, a 44% increase year-over-year. Net income increased to \$8.1 billion for the quarter or \$15.79 per diluted share. The company also ended the quarter with a free cash flow of \$26.4 billion. Amazon also reported that more than 200 million paid Prime members worldwide.

Strength in AWS was probably the highlight, at a growth rate of **32%** that very easily beat consensus by a good 10 percentage points, plus solid margins of over **30%**.

This is probably the key reason why Amazon stock climbed in after hours, even after shares had spiked 13% in the previous month alone. The market tends to pay remarkably close attention to the growth pace in the cloud business.

Amazon's guidance for the second quarter implies that it expects the momentum to continue, which should help allay investor fears that business could slow in a post-pandemic environment.

The company expects to post revenue between **\$110 billion and \$116 billion**, surpassing Wall Street's projection of **\$108.6 billion**.

**Amazon is currently trading at \$3291.61 as of 5 May 2021.**



Source: finviz

# PAYPAL HOLDINGS INC.



Since March, PayPal has acquired a cryptocurrency security firm and introduced major crypto-related integrations across its core offerings. These include being able to transact using digital currencies and being able to manage them on its flagship Venmo app.

PayPal does not seem to be slowing down in the least bit. Recently news broke of its latest collaboration with leading cryptocurrency exchange platform, Coinbase (NASDAQ: COIN).

Through this partnership, millions of U.S. PayPal users can now purchase cryptocurrencies on Coinbase. As the duo simplify the process of purchasing digital currencies, it would further incentivize widespread consumer adoption.

In turn, this could result in feedback as more people rely on their services. Safe to say, this appears to be a strategic play for both companies.

Paypal is currently trading at **\$249.52** as of 5 May 2021.



Source: finviz