2 Canadian Stocks That Turned $5,000 Into $10,000 in Just 1 Year

Description

There are many ways to approach investing in stocks. Investing in growth companies to make a quick buck is one of them.

If you have a high risk tolerance and ability to single out stocks that have the potential to surprise and grow fast, then it is not difficult to double or even triple your investment in a short span of time.

Today, I have picked two high-momentum stocks that have more than doubled the amount invested in just one year. Let us find out about these businesses and see if they have some steam left for 2018.

Air Canada

Air Canada (TSX:AC)(TSX:AC.B) stock has been one of star performers on the Toronto Stock Exchange. During the past one year, it has climbed 96% to trade at $23.42 at the time of writing.

These gains were backed by strong economic fundamentals, lower fuel prices, and the airline's success implementing its turnaround plan.

Air Canada is targeting to increase its margins between 17% and 20% and projected free cash flow of up to $3 billion by the end of 2020.

Air Canada estimates it will add between $2 and $2.5 billion in value once it launches its own loyalty program after it decided to end its partnership with Aeroplan.

The company's third-quarter earnings showed that the airline is well on track to achieve these ambitious goals, as its strategy to become a global carrier seems to be paying off. During the period, the airline's profit more than doubled to $1.79 billion, or $6.44 per share.

Shopify Inc.

Despite a 17% plunge from early October, when Citron Research's Andrew Left wrote a scathing short report on **Shopify Inc.'s** (TSX:SHOP)(NYSE:SHOP) business practices, this darling of the tech world has handed in 134% return to investors in one year.

Shopify's shares have almost tripled since its IPO in 2015 on rapid revenue growth, making the e-commerce platform provider one of the most highly valued software companies in North America.

For the third quarter, the company reported $171.5 million in sales, topping the average analyst projection of $166.5 million. Shopify also reported adjusted earnings per share of $0.05, beating estimates for a loss of $0.02 a share.

Going forward, it seems Shopify has entered a rough patch as it comes under tight scrutiny after Citron's attack, while at the same time it struggles to maintain its explosive pace of revenue growth.

The bottom line

If you are looking to invest in good growth stocks, then Air Canada and Shopify are two good candidates for your dollars. But smart investors don't look for quick gains when investing in stocks. There are many factors that can influence a company's stock performance in the short term and hinder its upward journey.

But if you have picked the right company in a growing industry, chances are that you will be able to double your investment in a few years if you stay on track and don't let your emotions drive your decisions.

CATEGORY

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