



3 Stocks That Could Be 5-Baggers in the Next Decade

Description

Finding companies that can earn you a return of 100% or more sounds ideal, but it's important to remember no matter how big the potential looks, the most important thing is to preserve capital and not lose money. It is paramount for investors to do all the research and know the risks before making an investment.

A five-bagger is when a company's price increases by five times in value. Five-baggers don't just happen all the time; it requires a lot of work and research to identify potential opportunities.

A company at the forefront of a growing new industry is a prime candidate for a massive return on investment. Another place to look is at companies that have had success in the past but are currently struggling and have been oversold.

Whatever the situation, doing the research and committing to the idea are the two main principles to adhere to. If you have done your research and know the ins and outs of the company, then if it goes down in the short term, you should be fully committed. Unless your underlying view of the company has changed, there would be no need to divest.

Three stocks I think could all be potential five-baggers in the next few years are **CannTrust Holdings** (TSX:TRST)(NYSE:CTST), **Peyto Exploration & Development** ([TSX:PEY](#)) and **Questor Technology** ([TSXV:QST](#)).

CannTrust

CannTrust has been positioning itself well for both the medical and recreational market. In the medical market, the company has over 70,000 patients and is number one in market share for cannabis oil products.

It has been rapidly ramping up its production to continue to meet future demand. CannTrust estimates that by 2025 the global medical market for cannabis will be a \$100 billion industry. This presents a massive runway for growth for the company.

In addition, it has been continuing its industry-leading research, especially in its revolutionary product Brewbudz, which has been patented in Canada, the U.S., and Australia. It is expected to be a huge game changer when edibles are legalized.

The company's market cap is currently less than \$1 billion, giving it huge room to grow in a industry that is expected to be more than 100 times that size.

Peyto

Peyto is a natural gas exploration and development company in Alberta. The stock has been hammered the last few years, as AECO prices have suffered along with the rest of the energy industry in Alberta. Peyto, however, is one of the lowest-cost producers, and therefore should be able to survive anything the market can throw at it.

Assuming the natural gas market will recover at some point, Peyto will be in prime position to take advantage. Currently, it has cut production tremendously, waiting for a better pricing environment. The cuts have hurt Peyto's stock today, but are creating a huge opportunity for the future when prices can recover.

When prices do eventually recover, [Peyto](#) can turn the taps back on and get back to its previous production levels, when the stock was trading above \$30 fewer than three years ago. Compare that to its price of just \$4 today, it's clear Peyto could be a huge opportunity for investors willing to be patient.

Questor

Questor is a green energy company that rents, sells, and services devices that combust waste gasses to reduce emissions. The company says its devices help to save costs and improve its customers energy efficiency but, more importantly, help customers to achieve compliance in jurisdictions that have higher environmental standards.

As the world continues to move toward cleaner energy and less pollution, Questor will directly benefit, especially if and when more regulations are put in place. At the moment, although headquartered in Calgary, the company does almost 90% of its business in the U.S.

With a market cap of just ~\$130 million, Questor has huge potential for growth in the fast-growing clean energy industry.

Bottom line

All three companies present different opportunities for massive growth, whether you invest in all of them, or just one, it is important to fully understand what you're buying and what the real catalysts are

for growth.

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TICKERS GLOBAL

1. TSX:PEY (Peyto Exploration & Development Corp)
2. TSXV:QST (Questor Technology Inc.)

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