



This TSX Stock Has Doubled in Price Five Times Since 2003

Description

Stocks don't often double in price. When they double five times in 15 years, it's sure to catch the attention of investors.

If you time your purchases right, you could have turned thousands into millions with **Bombardier, Inc.** ([TSX:BBD.B](#)) stock. That's the catch, though: you needed to get in and out at the right times.

In 2003, 2006, 2009, 2016, and 2018, Bombardier stock went on huge runs. If you participated in each run, you could have earned a cumulative 3,200% return! \$10,000 would have turned into \$320,000.

Unfortunately, in each scenario, the stock sank back to its previous lows within months. To get that 3,200% return, you would have needed to sell at the top of each peak.

Getting in and out of a volatile stock like Bombardier isn't easy. In fact, short-term trading like this can be disastrous. Catching a single run, however, isn't out of the question.

Every instance had a similar set of shared circumstances. The pattern is actually quite clear. Notably, a recent price decline has created the *exact* conditions necessary for a big rise in 2020.

There's risk here, but that's always the case if you want to double your money in under 12 months. If you're looking for [big gains](#) next year, this could be your best shot.

The market is fearful

Warren Buffett has a saying: Be greedy when others are fearful. It's a useful phrase, but hard to put into practice. While it may seem obvious in retrospect to load-up when markets are at their lowest, it's almost never done for two reasons.

First, not many people have extra cash following a market plunge. Second, it's difficult to buck the crowd.

There's a reason that most people don't take advantage of once-in-a-lifetime deals, even when they know the prices are a steal. The Asch Conformity Experiment details this phenomenon.

In this experiment, a test subject needs to identify which line is the longest of three lines. Sounds pretty easy, right? When subjects are alone, they can identify the longest line 100% of the time. It's something a child could do.

The experiment changes when fake contestants are added. For example, the real subject is joined by two fake subjects, although the real contestant doesn't know the others are plants.

These fake subjects purposefully choose the wrong line to confuse the real subject. It's still obvious which line is longest, but when the crowd chooses against them, the real subjects start to choose the wrong line! They go against their free will to conform with the crowd.

How to capitalize

Bombardier stock is in the same situation today; nearly everything is going wrong for the company. Management is laying off thousands of workers, selling assets, reorganizing entire departments, slashing financial forecasts, and is struggling with a litany of dissatisfied customers. The stock has fallen to a low of just \$2.

Compare this to July of 2018, when nearly everything was going right for the company. A struggling jet segment was staging a turnaround, it secured multiple new contract wins, and cash flow was expected to surge.

The share price hit \$4 that month, with optimism at a multi-year high. Of course, instead of rising, the share price slid by 50%. The optimism, it turns out, was more than priced in.

Today, it seems as if the pessimism is more than priced in. Analysts are extremely critical of the company. The consensus price target is just \$0.12 above the current share price.

You'll need to do your own research on whether this is a business you'd like to own, but from a sentiment standpoint, fear is rampant. If history is any indication, now is the time to buy.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise

5. Yahoo CA

Category

1. Investing

Date

2025/08/24

Date Created

2019/11/22

Author

rvanzo

default watermark

default watermark