



Canada Revenue Agency: Retire Early With These 5 Promising Stocks

Description

I recently revealed the secret of [how to triple your TFSA stock portfolio in five years](#). This article is a related discussion of the topic.

You'll experience a limited number of market crashes in your lifetime. They are the best opportunities to help you retire early – but the catch is that you need to have cash when it happens.

Market crash

The last market crash was due to a financial crisis triggered by subprime mortgages in the U.S. that rippled across the global financial markets. Next time, the market can crash due to a trillion possible reasons. For instance, too many global governments, corporations, and households are swimming in too much debt.

According to Trading Economics, the United States government debt levels reached an all-time high of more than US\$23 trillion in November, 5.4 times the average level since 1942! The government-debt-to-GDP ratio is 106%! Canada's government is in a similar situation at all-time high debt levels.

This is why central banks around the world are keeping interest rates low. With sky-high debt levels at governments, businesses, and households, borrowing activities are more likely to slow than accelerate over the next 10 years, which in turn will lead to slower economic growth.

So, do the North American stock markets really deserve to be at all-time highs today?

Every 10 years or so, the market crashes. We're 10 years and nine months from the bottom of the last crash. The longer the markets stay afloat, the crueler the bear will be when it attacks.

Opportunity in promising stocks in the next bear market

We know a bear market will come, but we don't know when. In order to retire early, you need a high

savings rate and the patience to wait for a market crash. Otherwise, you won't have as much cash to invest when stocks are at their cheapest levels.

Make a list of core quality high-growth stocks, including the likes of **Alimentation Couche-Tard**, **Brookfield Asset Management**, and **Shopify**, but also multi-bagger opportunities in small-cap and cyclical stocks that you'd buy in a bear market.

For example, five years from the last crash, **Biosyent** stock was a 43-bagger, while **Teck Resources** was a six-bagger.

The more patient you are in holding cash, the more you will benefit from the next market crash and the earlier you can retire! Here are [three things you can do with your cash](#) in the meantime.

Investor takeaway

It's horrible to have no cash to invest for bargain prices during a market crash. So, hold more cash today. Wait for blood on the Street before loading up stocks so that you can retire early after the next market crash and you come out with multi-bagger gains!

Warren Buffett is sitting on tonnes of cash, just waiting for a market crash. **Berkshire Hathaway** has more than US\$71 billion of cash and US\$53 billion of short-term U.S. Treasury Bills, which make up 36% of his portfolio when combined with his stock investments.

How much cash are you holding today?

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