



Stock Market Crash 2020: Your Chance to Make Millions

Description

Many investors fear market crashes. However, long-term investors should embrace this crash, because bear markets will allow you to make millions.

A part of my stock investing game plan includes contrarian stocks like **Air Canada** ([TSX:AC](#))([TSX:AC.B](#)). But boy, I was way too early into the game, as my starter position is now down 28%.

It's all right, though. You either buy stocks as they're falling or rising. The only difference is that my capital in it will be stuck for a longer period.

The spreading coronavirus is causing a serious impact to the global economy. At writing, there are 137,385 confirmed cases as the virus has stretched to 117 countries.

Stock market crash 2020: Your opportunity to buy quality dividend stocks

Many [companies are impacted](#) by the coronavirus outbreak. Businesses are temporarily shut down for the safety of employees and customers. Even if they stay open, less people are going.

For example, **Disney** will begin shutting down its theme parks in Florida and Paris for a month starting tomorrow. Starting today, it'll also be suspending all new departures for Disney Cruise Line for a month.

Across Italy, **Starbucks** will also be shutting its stores until April 3, while Burger King (a part of **Restaurant Brands**) will close its locations in the country until the health emergency ends.

So far, the stocks of Disney, Starbucks, and Restaurant Brands, respectively, have fallen by 37%, 31%, and 41% from their 2019 highs. They are getting increasingly attractive as long-term investments.

Stock market crash 2020: Your chance to make a million

Companies like Air Canada will get a big hit on earnings from forced flight cancellations, lower travel demand, and higher costs for having higher standards to sanitize planes to protect passengers and staff.

Currently, analysts predict Air Canada's adjusted earnings will decline about 26% year over year. However, the coronavirus situation is dynamic, and estimates can change for better or worse.

At about \$24 per share at writing, Air Canada stock trades at roughly 9.6 times its forward earnings, while its normal price-to-earnings ratio (P/E) is about seven, which represents a price target of \$17.50.

In 2009, during the last recession and market crash, Air Canada stock fell to below \$1 per share and almost went bankrupt. Investors who plunged in and held on until 2018 would have landed on a 27-bagger, transforming \$10,000 into \$270,000.

However, by late 2019, Air Canada stock traded at \$50 per share, a P/E of more than 15, for a potential 50-bagger, transforming \$10,000 to \$500,000. Investing merely \$20,000 would have made investors a million dollars.

Of course, that required betting a meaningful portion of your hard-earned money, buying at the right time, trusting the company would come back, and being super patient.

At some point, the coronavirus situation will come to pass like the negative events of the past. And the world economies will recover.

Until then, no one knows how low Air Canada stock will fall.

The lower it falls, and given it recovers, a decent-sized investment in the stock could earn you closer to a million dollars in time. It's a matter of if you think the risk and wait is bearable.

The Foolish bottom line

It's too risky to bet your money on one stock that could be a 50-bagger. Instead, consider other [stocks that can also earn you a million dollars](#).

Also, remember to put some of your eggs in quality dividend stocks that have durable businesses, including Disney, Starbucks, and Restaurant Brands. They should also deliver substantial returns years down the road from their current depressed valuations.

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2. Investing
3. Stocks for Beginners

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