



## Future Millionaires: Top Distressed Stocks for Your Long-term Portfolio

### Description

Buying top stocks for less than they're worth is a time-tested way to build wealth. The savviest investors wait until a company is in distress to snap up shares at a discount. With the ongoing market crash, investors have pushed several companies and industries to the point of distress.

Investing in these distressed top stocks isn't for the faint of heart. Investors seem to be pricing these stocks for failure. Debt and a total lack of income over the next few months could push these companies over the edge, so beware.

Here are the top two distressed assets that could deliver immense returns over the next few years — provided they can survive this one.

### Brookfield Property

Commercial property has suffered incredible losses this month. Several tenants have been unable to pay their rents. If the situation doesn't improve in a few months, household names such as **Brookfield Property Partners** ([TSX:BPY.UN](https://www.brookfieldproperty.com/stock-exchanges/tsx-bpy-un))(NASDAQ:BPY) could be left in an impossible situation.

This top stock has lost nearly two-thirds of its value. The dividend yield currently stands at 17.9%. However, the chances of Brookfield actually paying the same dividend this year are low. Their offices and malls across the world are nearly empty. Several tenants are on the brink of distress.

Nevertheless, the company is sponsored by one of the most robust wealth management companies in the world. Also, the property portfolio is absolutely stunning.

From London's Canary Wharf to 1 Manhattan West in New York, this portfolio of real estate is irreplaceable. I believe Brookfield Property is the ultimate contrarian bet for investors willing to take a risk this year.

If the shutdown ends sooner than expected, Brookfield could turn some investors into millionaires as the stock bounces back.

## Air Canada

Airline stocks are absolutely fascinating. No one is flying at the moment. But this situation can't last forever. Soon, the skies will be filled with airplanes again. The question is, under which banner?

Airlines are capital-intensive and the companies are over-leveraged, which makes a few bankruptcies in the industry likely. However, **Air Canada** ([TSX:AC](#))(TSX.AC.B) has taken steps to protect itself. The company has cut staff and senior managers have taken a severe pay cut.

Air Canada has [\\$7 billion in current assets](#). It also added \$1 billion to its cash hoard by drawing down its credit facilities. Even that \$8 billion cash hoard might not be enough to pay off its debt (\$9.24 billion).

While there's a chance the Canadian government will step in and bail the company out, such a rescue is far from certain at this moment.

Investors with the stomach for unbelievable risk should add Canada's largest airline to their list. After the previous economic crisis, this top stock returned a jaw-dropping 5,960% return. History could repeat itself this time.

## Bottom line

After the recent crash, there are plenty of distressed assets on the stock market. As we enter a gloomy economic climate, some of these distressed assets will undoubtedly collapse. However, the ones that survive could bounce back stronger.

Well-placed distressed stocks like Brookfield Property Partners and Air Canada could deliver stunning returns over the next few years.

This could be your chance to multiply wealth and become a millionaire through stocks.

### CATEGORY

1. Investing
2. Top TSX Stocks

### TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:BPY.UN (Brookfield Property Partners)

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vraisinghani

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