Millennials: 2 TFSA Millionaire-Maker Stocks to Buy in the Stock Market Crash

Description

Millionaire-maker stocks aren't going to make you a millionaire overnight, especially if your invested principal is less than $500,000.

For millennials who can hold onto stocks for decades at a time, however, stock market crashes are the perfect time to accelerate one's road to a million. With the help of a Tax-Free Savings Account (TFSA), one takes the effects of taxes out the equation, making an unfathomable rate of long-term wealth creation possible.

Without further ado, consider the following severely battered stocks that one should consider backing up the truck on before they rocket higher as a new bull market is born.

Spin Master

Spin Master (TSX:TOY) is a small-cap toy company that got demolished over the past few years thanks in part to a slew of industry headwinds, management made by management, and most recently, economic headwinds as a result of the insidious coronavirus.

The stock suffered a massive fall from glory, collapsing 81% from peak to trough. And as we head into a coronavirus-induced recession, one would think it'd be foolish (that's a lower-case *f*, folks!) to pick up shares of an arguably poorly run consumer discretionary stock. Given the magnitude of the decline, though, I'd say there's more than just a recession baked into the stock.

I may not be a fan of management given misjudgments made in the past. Still, I am of the belief that the stock has fallen far below its intrinsic value given the stellar assets the company owns, not to mention the healthy balance sheet that could allow for synergy-driving acquisitions at a time of temporary turmoil.

The stock trades at 1.6 times book, which is a low price to pay for a company with an incredible portfolio of intellectual property. While toys may be seen as a highly discretionary item, I'm of the belief that their demand isn't as economically sensitive as most would think. Kids will always want toys, and many financially stressed parents will find a way to buy them that Gund stuffed animal they've been asking for all year.

As these tough times pass, I see Spin as a long-term winner. The stock is cheap and ought to be nibbled at on weakness. If management gets shaken up further, I'd be even more bullish on the name.

Cenovus Energy

Yes, I know, **Cenovus Energy** (TSX:CVE)(NYSE:CVE) is an energy stock. If you're like many investors, you're looking to rid your portfolio of such uninvestible Canadian energy producers, not seeking to add after the latest barrage of bad news. The crumbling of OPEC+ has brought oil prices to new depths, and with the coronavirus-induced demand shock, it seems as though the hell as finally come for heavy crude, with a slew of imminent bankruptcies.

Layoffs have been rampant in the Canadian oil patch, and things are unlikely to get better anytime soon. And while you should always "buy low," you should be wary of poorly capitalized firms that may never live to see the highs again, as their debts become due.

Oil was low. Now it's much, much lower. That's the nature of commodities. They're an unpredictable beast. And while it seems as though oil stocks are toxic, I'd argue that there's deep value to be had in some of the better-capitalized names out there, with superior underlying economics.

I see Cenovus as a pioneer in the Albertan oil patch. As you may know, oil sands projects are notoriously uneconomical in a low oil price environment. With WTI at US$20, many junior producers are sitting ducks.

What separates Cenovus from the uninvestible pack is the fact that it's been taking steps to become a more economical producer of heavy crude. With various solvent-aided processes (SAP) that could drive down the high costs of production, there is hope that the oil sands can become profitable, even in a low oil price environment.

At today's levels, though, oil prices are too low to turn on the taps to any new projects. It's time to hit the pause button. I'd argue that oil prices are unsustainably low, and given Cenovus's 0.44 debt-to-equity ratio, I'd say the company will not only survive these rough times but come roaring back should the tides ever turn.

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3. TSX:TOY (Spin Master)

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