



Market Rally: Turn \$10K Into \$20K

Description

In this market rally, you can make some serious cash by investing in stocks. Thanks to the flash market crash in March, investors can buy quality stocks and turn \$10,000 into \$20,000 in a relatively short time.

Here is a dividend stock that is ridiculously cheap and has the potential to double your money within a year or two.

Market rally: Brookfield Property is taking part

Brookfield Property ([TSX:BPY.UN](https://www.bse.com/quote/BSE:BPY))(NASDAQ:BPY) took part in the market rally by rising 21% in the last week. The real estate stock is propelling from a very low base and still has a lot to run.

At writing, Brookfield Property stock trades at just under \$14 per share. By comparison, the stock traded as high as \$25 earlier this year.

Brookfield Property's portfolio of real estate assets remain very valuable and hasn't changed from the start of the year. A core part of its portfolio is in 122 best-in-class malls across the United States, which is greatly impacted by the [fight against COVID-19 in the near term](#), which has depressed the stock substantially.

However, that will come to pass, and the stock will return to its former levels when the economy returns to normal. In the past, BPY stock has traded as high as \$32, which would be more than a double from current levels.

Brookfield Property is a Dividend Aristocrat

I have confidence that Brookfield Property stock will continue to participate in a market rally because it has a strong financial position and is conservatively run. Many of its assets are funded at the asset level with non-recourse financing.

Its management quality is reflected in the fact that BPY stock is a Dividend Aristocrat that has increased its cash distribution for seven years. Its five-year dividend growth rate is 5.7%, which is not bad for [a high yield stock](#).

At writing, the stock yields 13.1%. Even if it were to cut its dividend by half temporarily due to the hardships the economy is experiencing, buyers today will still get a yield of about 6.5%.

Currently, I'm not expecting such a severe dividend cut. The company has a strong financial position to protect the dividend if it wants to.

It has about US\$6 billion of undrawn credit lines and cash on hand, which is much larger than the US\$1.3 billion of dividends it paid out in the trailing 12 months. It's a matter of how prudent the management wants to navigate the company in this unprecedented environment.

Market rally: The quality stock is still super cheap

The market rally is just getting started, and Brookfield Property stock is still very cheap. You probably won't get the stock this cheap again over the next decade!



BPY Price to Book Value data by YCharts.

As the chart above shows, BPY stock trades at a low valuation of a third of book value.

Brookfield Property is ridiculously cheap. Long-term investors should highly consider buying BPY in their RRSP or TFSA for generous income and price appreciation.

The stock could double your money in a year or two with a mix of a high dividend yield and price

appreciation.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

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1. TSX:BPY.UN (Brookfield Property Partners)

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