Got $2,000 to Invest? These 3 Stocks Could Pay off Massively in 10 Years

Description

If you've got some money lying around to invest, you may be wondering where to put it. In the COVID-19 era, stocks have gotten risky, while bond yields have gotten slim. In such a situation, it can seem like there's nothing out there worth buying. With stocks, there's always the threat of "The Great Crash 2.0" on the horizon. With bonds, you have to contend with yields that barely surpass 2%. It certainly looks like there's not a lot out there worth buying.

But looks can be deceiving. We're already beginning to see post-COVID-19 earnings to come out, and there have been some clear winners. While airlines and cruise companies have done about as poorly as expected, some stocks have done surprisingly well. Companies that remain in good financial shape today could be good buys for 10 years or more.

The following three such stocks could enrich you significantly with as little as $2,000 invested upfront.

Canadian National Railway

The **Canadian National Railway** (TSX:CNR)(NYSE:CNI) is Canada's largest railroad company. It ships over $250 billion worth of goods a year all over North America. The company has been a solid investment over the past decade, outperforming the **TSX** index and appears poised to continue that track record in the next decade.

CN is seeing significant growth in its business segments, especially grain and crude oil. That latter business has been hit by the oil collapse, but will recover when demand returns to normal.

In its most recent quarter, CNR grew its earnings by 29% year over year, despite flat revenue. That was partially because the winter before last was a particularly tough one for the company, but also because of improved operational efficiencies. All signs point toward a company with the potential for steady, growing profits.

Cargojet

Cargojet Inc (TSX:CJT) is another transportation company. Like CN, it's in the business of transporting goods. Unlike CN, it does so by air.

In the initial COVID-19 market crash, CJT shares fell nearly 40%. Apparently, investors had confused it for a passenger airline. In fact, Cargojet is a cargo airline that transports goods, not people.

The lack of human passengers meant the company was able to operate normally through the COVID-19 lockdowns — a big advantage. The company had a second ace up its sleeve in the form of e-commerce. As a company that specializes in small overnight shipments, CJT ships a lot of e-commerce orders.

Such orders have increased with the closure of retail businesses. All of these factors combined to give CJT a 24.5% adjusted earnings boost in the first quarter.

Enbridge

Enbridge Inc (TSX:ENB)(NYSE:ENB) is another stock that got beaten down badly in the COVID-19 market crash. Unlike Cargojet, this one was somewhat justified. Enbridge makes a lot of money shipping crude oil to the U.S., and in April, that country had more oil piling up then it was able to deal with. This situation briefly led to West Texas Intermediate oil futures implying a price of $-38.

If negative oil prices persisted long term, it would be a serious problem for Enbridge. However, the situation didn't last long. As of this writing, WTI was selling for $34. While that's still lower than it was a year ago, it's not so low as to cause serious market disruption.

Enbridge should therefore be able to get back to business as usual. The company's first quarter earnings were pretty ugly, with a massive $1.4 billion loss, but the stock should bounce back in the long run.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:CJT (Cargojet Inc.)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date
2025/08/24
Date Created
2020/05/25
Author
andrewbutton