



How to Retire Early From a 2020 Market Crash

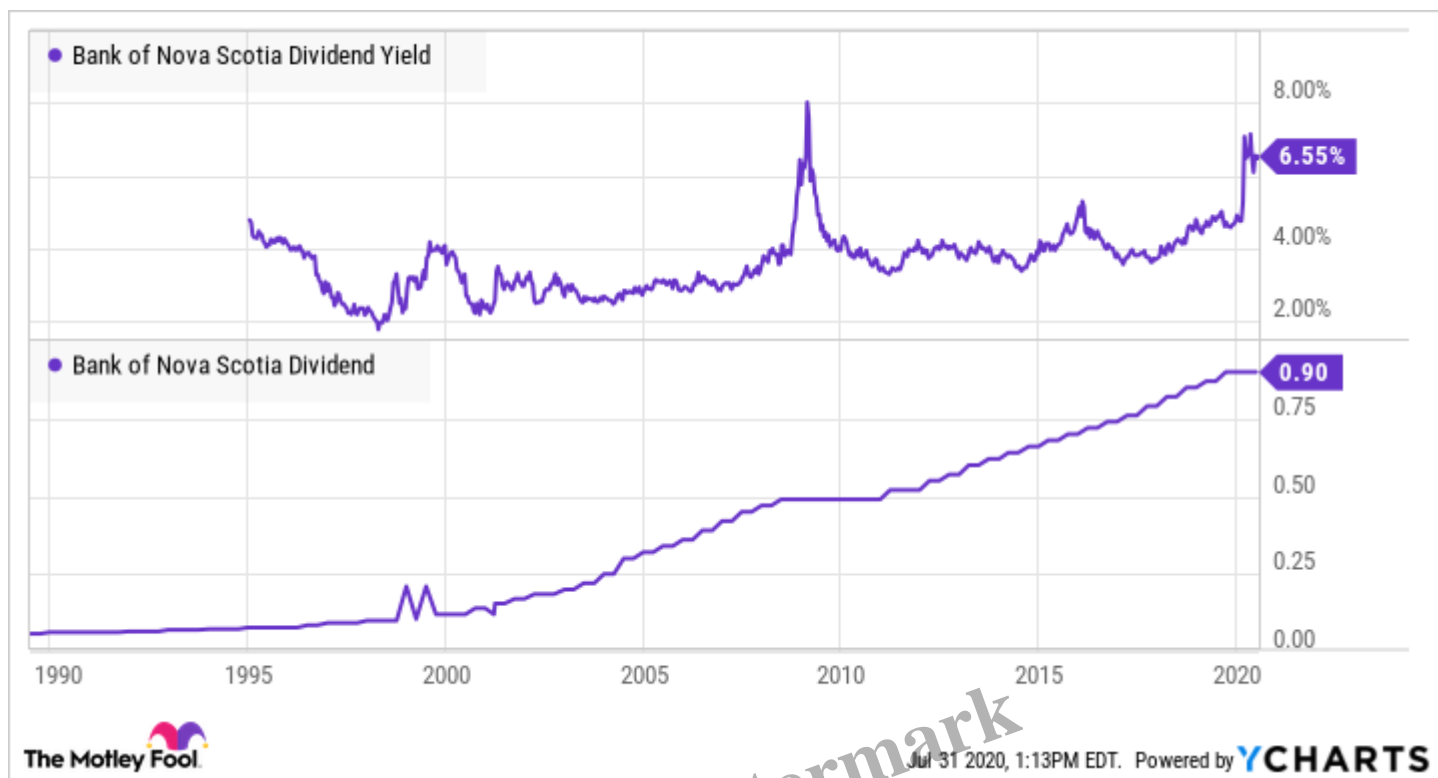
Description

You might be waiting for another market crash like the one we experienced in March. Honestly, no one knows if we will get another crash this year. If we do, it'll be an incredible opportunity.

But these stocks are amazing opportunities now, as they haven't fully recovered from the March market crash. I don't know about you, but I think a bird in the hand is worth two in the bush.

BNS stock

If you're one of those people that saw a huge cut in income due to historically low interest rates, then, you'd welcome **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) stock to your portfolio. It currently offer a rich yield of more than 6.5%.



BNS Dividend data by YCharts

Scotiabank's payout ratio is a little high this year at roughly 68%. However, we're going through one of the biggest disruptions to the global economy in history. It's therefore understandable that it'd take time, perhaps a few years, for BNS stock's payout ratio to return to the normal levels of about 50%.

Similar to most other big banks, BNS stock trades at a meaningful discount to its normal valuation due to a gloomy economic outlook. Specifically, at just under \$55 per share at writing, the international bank trades at a discount of 33% for long-term investment.

Brookfield Business Partners

From 2016 when **Brookfield Business Partners** ([TSX:BBU.UN](#))([NYSE:BBU](#)) was spun off from **Brookfield Asset Management** to late 2018, BBU delivered annualized returns of more than 30% per year!

Brookfield Asset Management remains the general partner and manager of BBU. In fact, BAM still owns about 63% of BBU. It has more than 30 years of experience in investing and managing businesses with high-return results.

Specifically, BAM has a specialized investment team and business operations team that drive extraordinary returns. The investment team is in charge of acquisitions and capital recycling. The operations team works on improving businesses, which often results in selling the businesses for incredible returns.

[BBU](#) invests in businesses that provide business or infrastructure services. It also invests in industrial

businesses. You can see why the stock is sensitive to the economic cycle.

The stock is more than 40% below its 52-week high. It therefore has massive upside when the economy improves. Analysts think there's more than 40% upside over the next 12 months. However, with a longer-term investment horizon, investors could double their investment from current levels, say, in five years.

BBU pays a small yield of 0.9% because it reserves most of its capital to invest for high returns, aiming for 15-20% total returns.

The Foolish takeaway

To [retire early from stock investing](#), investors can aim for dividend income or price appreciation. With BNS stock and BBU, you can get a mix of both.

BNS offers a 6.5% yield, which can help drive total returns of about 17% per year over the next five years on a normalization of the economy and its valuation. Because of its big yield, it can be a buy-and-hold stock.

BBU requires active investing if you want to use it to help you retire early. It's super important to buy low and sell high. I'd categorize it as buying low at current levels. However, it doesn't mean that it cannot get cheaper in this challenging year.

Nonetheless, I think it's a good year to accumulate BBU stock on dips. After that, remember to watch the stock and sell it opportunistically for big price appreciation.

CATEGORY

1. Bank Stocks
2. Coronavirus
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4. Investing
5. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BBU (Brookfield Business Partners L.P.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BBU.UN (Brookfield Business Partners)
4. TSX:BNS (Bank Of Nova Scotia)

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1. Business Insider
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Date

2025/06/29

Date Created

2020/08/02

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