



How to Double Your \$2,000 CRA CERB Cash

Description

The Canada Revenue Agency's (CRA) \$2,000 Canada Emergency Response Benefit (CERB) has helped Canadians who lost their job because of COVID-19 with their living expenses. As the economy is re-opening and people are returning to work, the CRA is shifting its focus to economic recovery. It will end the CERB in September and shift some beneficiaries still out of work to Employment Insurance (EI).

The \$2,000 CERB cash is only available for another month. If you haven't yet decided on what to do after the CERB ends, it's time to plan now. You can double your \$2,000 CERB cash by investing in growth stocks.

Maximize your \$2,000 CERB

I realize that putting your entire CERB cash in stocks is not possible while you are dependent on it for your living expenses. You can save \$100 a week, or 25% of your weekly CERB payment, for at least 16 weeks. You can also add your \$400 emergency Goods and Service Tax refund the CRA disbursed in April. This way, you can accumulate \$2,000 and invest it in your Tax-Free Savings Account (TFSA).

The TFSA is a medium that can protect your investment income from the claws of the CRA. You will have to pay tax on the CERB, but you can choose to avoid paying tax on your investment income.

How to double your CERB cash

Once you have \$2,000 in your TFSA, you have to identify some good growth stocks. I have picked two stocks that have doubled in the last eight months and hold the potential to repeat a similar growth in the coming two-three years.

Kianxis

Kinaxis ([TSX:KXS](#)) is a provider of supply chain planning solutions to large enterprises where the supply chain is an essential part of the business. The company earns money through a subscription fee, which varies according to the customer size, the number of users, applications, and sites for manufacturing, distribution, and inventory.

Kinaxis increased its revenue at a compound annual growth rate (CAGR) of 22% between 2015 and 2019 through subscription renewals, new customer acquisitions, and cross-selling to existing customers.

In the [second quarter](#), its revenue rose 45% year-over-year (YoY) as many large enterprises renewed their subscription for a longer-term. Its adjusted EBITDA rose 94.5% YoY to 36.6% of the revenue, its highest in over two years.

Kinaxis is seeing a delay in the signing of new contracts because of the pandemic. However, it has strong long-term growth potential as more companies are using its solutions to forecast demand and plan their supply.

Kinaxis' stock grew at an average annual rate of around 25-30% in the last five years. It more than doubled year to date. If you had invested \$2,000 in the stock at the start of the year, your money would have grown to \$4,300.

The stock has corrected post-earnings and is down 12% from its all-time high. This is a good time to buy the stock, as it has the potential to double in the next three to five years.

Cargojet

Speaking of the supply chain, logistics companies are an integral part as they make order implementation possible. The pandemic created a wave of e-commerce that drove demand for air cargo.

There was also a surge in transit of medical supplies and personal protective equipment from Asia to Canada. While logistics demand surged, supply fell as the government travel ban grounded passenger planes, which also carry air cargo.

All three factors drove all the air cargo demand to **Cargojet** ([TSX:CJT](#)). The airline reported its highest quarterly revenue of \$196 million in the second quarter. The revenue rose 65% YoY, and its adjusted EBITDA rose 143% YoY to 46.5% of the revenue. The company expects international cargo volumes to remain high in the short to medium term.

Cargojet stock has surged 80% year to date and 678% in the last five years. The stock has the potential to double in the next three-five years as the e-commerce volumes grow [passenger airlines](#) downsize.

Investor corner

Stocks of Kinaxis and Cargojet were growing even before the pandemic and will grow even after the pandemic. If you invest \$2,000 saved from your CERB in the two stocks, your money will double in the

mid-term.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:KXS (Kinaxis Inc.)

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