



Got \$6,000? These 2 Stocks Can Double Your Money in 5 Years

Description

Invest in stocks in three easy steps

Investing in the stock market can become easy if you follow three steps.

The first step is to open a Tax-Free Savings Account (TFSA). It allows your investment to grow tax-free and even excludes your withdrawals from your taxable income. As growth stocks give handsome returns, it is advised to invest in them through TFSA.

The second step is to determine your contribution. The government has set a maximum contribution limit of \$6,000 on TFSA for this year and \$69,500 for those who have never contributed. You can contribute any amount up to the limit, depending on how much surplus you have for investment.

The third step is to identify the stock that meets your financial requirements and stay invested for at least five years. You can't make a million dollars in a year without investing \$700,000-\$800,000. But you can convert \$6,000 into \$18,000 in three to five years.

If you have tried your hand at stocks and made a loss, remember that even Buffett has made a loss. But the trick is to learn from it and take a controlled risk. If you are skeptical, you can start with two stocks that are fundamentally strong and have been growing at an average annual rate of 30% and 40%, respectively, for the past five years.

Kinaxis stock

Kinaxis ([TSX:KXS](#)) offers supply chain planning solutions to large enterprises that have complex supply chain operations. The company earns revenue through subscription fees that depend on the customer's size, the number of users, applications, and manufacturing, distribution, and inventory sites.

The impact of large customers was visible in [Kinaxis's second-quarter earnings](#). Its revenue surged 45% year over year, because large enterprises renewed their subscription for a longer term. Despite

this, no single customer accounts for more than 10% of the company's revenue.

The COVID-19 pandemic has delayed some contract renewals and new contracts. But as the economy continues to reopen, the contracts will increase as supply chain planning becomes more complex, with the e-commerce wave and changing demand. It is improving its demand forecast by using machine learning.

Kinaxis stock is in its growth phase, surging over 90% this year and 60% last year. If you invested \$6,000 in the stock in January 2019, you would now have \$18,500 in your TFSA. The stock has the potential to double in the next five years given the growth opportunities created by the pandemic.

Constellation Software stock

Constellation Software ([TSX:CSU](#)) has one of the most diversified portfolio, customer base, and reach to the niche markets. It acquires small companies that offer mission-critical software to niche verticals that have limited competition. The acquisition creates attrition, but the critical nature of its offerings helps it retain 90% of its customers. Its diversified business makes it [resilient to the pandemic](#).

Over the last 12 years, it has increased its revenue 10-fold from \$330 million in 2008 to \$3.5 billion in 2019. As the company's size increased, its annual revenue-growth rate halved from 30% in 2009 to 14% in 2019. Despite its large size, its revenue is growing by double digits.

Constellation stock is in a mature phase, with a CAGR of 20%. At this rate, it can double your money in four years. If you'd invested \$6,000 in the stock in January 2018, you would now have \$12,300 in your TFSA. The stock has the potential to double in the next five years, as it continues to acquire new companies.

Investor corner

The above two stocks are fundamentally strong companies with strong histories. They can help you take a calculated risk. These stocks will grow the longer you stay invested. Kinaxis and Constellation can double your money in three to five years and even grow multiple folds in seven to 10 years.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:KXS (Kinaxis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/25

Date Created

2020/08/31

Author

pujatayal

default watermark

default watermark