



Got \$1,000? These 3 Stocks Could Double by 2022

Description

While there is no shortcut to getting rich, investing in stocks that have the potential to generate multifold returns in a short period of time can help achieve your financial goals rather quickly.

The COVID-19 pandemic has decimated multiple sectors, including retail, energy, airlines, and cannabis. As businesses were shut, consumer spending fell drastically and impacted the top-line growth of several companies.

We'll look at three beaten-down stocks on the TSX that have the potential to rise from the ashes and gain momentum, as we head towards the end of 2020. These three companies carry significant risks but also have a realistic chance to double your wealth in the next year or two.

A diversified energy giant

The first company on my list is Canada's energy giant **Suncor** ([TSX:SU](#))([NYSE:SU](#)). While Suncor stock has lost 60% in 2020, the company is backed by investment mogul Warren Buffett.

The Oracle of Omaha [increased his stake in Suncor](#) to 19.2 million shares at the end of Q2, up from 14 million at the start of 2020, according to **Berkshire Hathaway's** 13 F filings. Suncor, an integrated energy company, is a domestic giant that has a market cap of \$25 billion and an enterprise value of \$46 billion, indicating a net debt of \$21 billion.

Suncor's diversified portfolio of assets include oil sands development, petroleum refining, oil and gas production, and product marketing. In the last few years, Suncor has also been investing heavily in expanding its renewable assets portfolio.

In order to overcome the COVID-19 pandemic-related macro weakness, Suncor slashed its dividends by 55% in early 2020. It also reduced capital expenditures by 33% and aims to reduce operating costs by 10% in 2020. Even if Suncor stock doubles by the end of 2021, it will still trade 27% below its 2020 high of \$45.

An airline leader

Another contrarian bet right now is **Air Canada** ([TSX:AC](#)), Canada's largest airline company. While Warren Buffett remains bullish on a turnaround in the energy sector, he dumped airline stocks earlier this year and exited this capital-intensive industry for good.

The ongoing crisis is perhaps the worst one for airline companies that have experienced an unprecedented decline in passenger traffic and revenue. The pandemic has brought international and domestic travel to a standstill, which means Air Canada and peers are burning through cash at an extraordinary rate.

The International Air Transport Association (IATA) expects air traffic to fall by a staggering 66% year over year in 2020. Comparatively, analysts expect Air Canada sales to fall by 63% to \$7.1 billion in 2020.

Air Canada was one of the top TSX stocks in the last decade and gained 3,500% in that period. Now, its trading 70% below record highs. In case air traffic reaches pre-COVID-19 levels by 2022, Air Canada stock will fly high yet again.

A cannabis heavyweight

The third company that can gain momentum is cannabis leader **Aphria** (TSX:APHA)(NASDAQ:APHA). Shares of Aphria have also taken a beating and slumped 63% since January 2018.

Aphria is one of the few pot stocks that has established a strong presence in Canada as well as in Europe. In the quarter ended in May, Aphria [said it gained market share in Canada](#) and accounted for 16% of cannabis sales in Ontario, up from 13% in the prior quarter. In the last nine months, Aphria has managed to double its market share in Ontario.

While Aphria reported a net loss of \$98.8 million in the May quarter, this loss was primarily driven by non-cash charges. The company reported \$64 million in impairment charges and \$27 million in non-cash expense.

While most cannabis companies are grappling with widening losses, Aphria has consistently reported an operating profit in the last six quarters.

The company's ability to increase market share in a highly competitive space and a rapidly expanding addressable segment make it a top bet for cannabis investors.

CATEGORY

1. Cannabis Stocks
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3. TSX:SU (Suncor Energy Inc.)

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Date

2025/07/02

Date Created

2020/10/14

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