3 TSX Stocks That Could Double Your Money in 1 Year

Description

Market crashes are brutal. Investors are forced to see their life savings burning away and their portfolios shrinking. But these crashes are also almost inevitable. And though you can create a portfolio that can absorb the blow of a market crash, it's nearly impossible to create one that's completely impervious to such crashes.

Market crashes also teach us a lot of valuable lessons. They show us which stocks are resilient, which have a powerful recovery potential, and which stocks are simply houses of cards. In the last crash, we saw many stocks that doubled investors' money in less than a year. If another market crash happens, these are the stocks you might want to keep an eye on.

A tech stock

Kinaxis (TSX:KXS) has always been a decent growth stock. But this year was different. Like other tech stocks, Kinaxis outpaced its consistent growth and doubled its investors' money in just three months. And it kept growing afterward. The stock is currently too hot to touch, with its price to earnings at 150.9 and price to book at 15.2, but if the stock market dips again and Kinaxis normalizes a bit, it's one of the stocks that can easily double your money within a year.

Kinaxis creates supply chain management and sales operation planning software. Its software isn't *the* best software for the supply chain, but it easily comes among the top 25 worldwide. It has a powerful balance sheet, and the revenue has been growing very steadily over the past five years. This would be the first year when its valuation has truly outpaced its sales.

A chemical company

If you want the 100% growth potential to also come with a generous yield, you may want to consider adding Toronto-based **Superior Plus** (TSX:SPB) to your portfolio. This flaming-hot stock distributes and markets propane (and its distillates) in both the country and the United States. The company has a market capitalization of $2.09 billion.

Superior stock crashed almost 53% in March. If you had invested in the company then, you'd have doubled your money by mid-August. Although it's not a very good growth stock, its recovery potential is powerful enough. Plus, it comes with a juicy 6% yield. The company hasn't once slashed its dividends since 2016, even when it suffered through virtually unsustainable payout ratios.

A brewing company

If you want to add something lighthearted and comforting to your portfolio, especially what it has been through in 2020, consider **Waterloo Brewing** (TSX:WBR). This Kitchener-based brewery has a market capitalization of about $159 million. It's the largest Canadian-owned brewer in the province.

From the lowest point in March to its highest valuation in October, the stock grew over 133%. That's less than a year to double its investors' money. If the stock falls again during a market crash, you may want to consider it for the recovery and doubling your money in less than a year. It also pays dividends, but the current yield might not be reason enough to buy the stock.

Foolish takeaway

Some recovery stocks that you might see on the TSX that doubled their investors' money (at least for those that bought and sold the stock at the right time) might not be worth keeping in your portfolio for more than a year. But it's a good idea to consider stocks that you can keep in your portfolio for a long time and are worth more than just their recovery-fueled growth.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:KXS (Kinaxis Inc.)
2. TSX:SPB (Superior Plus Corp.)

PARTNER-FEEDS

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