



How to Make \$1 Million in a Volatile Stock Market

Description

It's said the opportunities don't knock twice, and it's true in most cases, but not all. Take market crashes, for example. You can benefit from the opportunities provided by the market crashes about every decade or so. You can't make up for the lost time, but almost every recession offers you a chance to buy great companies at a low price, and if you hold on to them for long enough, your chances of making a million can be relatively high.

If you believe that the market is going to take a dip again, the strategy for becoming a millionaire is very simple: identify great companies with decent long-term prospects, buy them at rock-bottom prices, and hold them. In about two or three decades, if the businesses you invested in keep growing at a decent pace, they can easily make you a millionaire.

An e-commerce bet

Lightspeed ([TSX:LSPD](#))([NYSE:LSPD](#)) stock fell almost 70% during the last market crash. But when it recovered, it started growing at a robust pace. While [the company](#) doesn't have a very long history of growth that can be used to predict its future, there is a precedent in the form of **Shopify**. There is also the fact that the e-commerce market is supposed to grow for several years till it reaches saturation.

Within the industry, Lightspeed's prospects of growth are also healthy, because it hasn't yet tapped into all market segments and can offer its POS and e-commerce services to a wider range of clients yet. Right now, it's a very overpriced bet, and even a recession might not make it "fairly" valued, let alone undervalued, but buying it at a discount will help you maximize your growth benefits.

A growth-oriented aristocrat

Even though it has over 25 years of dividend growth under its belt, relatively few investors look into **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) stock for its dividends. That's because its modest yield (1.77% right now) is often overshadowed by its decent growth pace. The company has a 10-year CAGR of 16.8% and a five- and three-year CAGR quite close to the mark, indicating that the growth is

not slowing down.

If it keeps growing at this pace and you invest \$20,000 in the company, it might make you a millionaire in fewer than three decades. You can offset the probability that the company might not be able to sustain that kind of growth for three decades and increase the capital.

The company has [a dominant position](#) in North America, especially when it comes to cargo transportation, and it's likely to hold on to the mantle for a long time.

A real estate growth stock

From a growth perspective, **Granite REIT** ([TSX:GRT.UN](#)) had a very "static" 2020. It recovered its pre-pandemic valuation quite early compared to many others in the real estate sector, but the valuation got almost stagnant after that. It's not an encouraging prospect for short-term investors, but the company's merits as a decent long-term growth asset still hold.

It has a profitable, geographically diversified property portfolio, a strong balance sheet, and the revenue is continually growing. A byproduct of a stale year is that it's relatively reasonably priced compared to two other potentially millionaire-maker stocks on this list. If it can sustain its 10-year CAGR growth rate of 15.39%, Granite also has the potential to make you a millionaire in about three decades, with just \$20,000 invested now.

Foolish takeaway

All three companies, if they can keep growing at the rate they are growing right now, have the potential to make you a millionaire with about \$60,000 invested (\$20,000 each) in fewer than three decades. You can shorten this timeline significantly if you buy them during a market downturn. That way, you will also be able to absorb the "recovery" into your overall growth and expedite its pace.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:GRT.UN (Granite Real Estate Investment Trust)
5. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Tech Stocks

Date

2025/08/25

Date Created

2021/03/05

Author

adamothonman

default watermark

default watermark