



2 Breakout Stocks That Could Make You a Millionaire

Description

Becoming a millionaire with investment as your default route to wealth isn't difficult. You have to choose the right assets, stay with them for a long time (or as long as they stay profitable), use diversification to mitigate your risk, and properly allocate your assets. You also have to learn to time the market and buy stocks accordingly.

Many of the big players in the TSX belong to relatively slow and steady sectors (like financials and energy), which is a stark comparison to the exchanges across the border where the rapidly evolving tech sector dominates. While both might have the potential to make you a millionaire, the pace would be radically different. But if you have a decent amount of capital to invest, there might be a few breakout stocks that could make you a millionaire relatively faster.

A renewable energy company

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a Bermuda-based [renewable energy giant](#) with a geographically diversified portfolio of renewable energy assets. The company has over 5,300 power-generation facilities in four continents (worth about US\$60 billion) with a total capacity of 20,000 MW. It has also made significant investments in power storage and distribution infrastructure.

Brookfield Renewable stock broke out in early 2019, and in the last two years and three months, the stock has grown well over 190%. Thanks to a recent drop, it's not as overpriced as it was until a few weeks ago, though it's still expensive. Brookfield offers a 10-year CAGR of 22.6%, and if \$30,000 keeps growing in the company at this pace for about 15 years, it might grow to well over \$600,000.

An automotive technology company

Magna International ([TSX:MG](#))([NYSE:MGA](#)) used to be an automotive parts manufacturer. Now, the company has shifted its focus more to mobility technology. It's an intelligent transition since the world is almost ready for self-driving cars, which would expedite the advances in mobility technology, and companies like Magna would be ideally placed to take advantage of the changing market.

[The stock](#) has already started to tear. It has grown well over 200% from its market crash valuation. The price-to-earnings ratio is 35.1, and the price-to-book ratio is 2.3, which is a bit unusual for a company that grew that much in a relatively short span of time. And even though there is no guarantee that it might stay that way, if the company can sustain its 10-year CAGR of 19.8% for another 15 years, your \$30,000 in the company can grow up to \$450,000.

Foolish takeaway

The two companies together can make you a millionaire (theoretically), in about 15 years, with just \$60,000 invested. If you want to hit the mark earlier, you might want to consider increasing the initial capital. And if two companies are not enough diversification for you, it might be a good idea to split the capital into more stocks, each with a yearly growth potential of about 20%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:MGA (Magna International Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:MG (Magna International Inc.)

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