



## How to Make \$1,000,000 During the 2021 Stock Market Rally

### Description

The **S&P/TSX Composite Index** is off to a good start in May 2021 and even closed at a record-high (19,472.70) on the first week. Irwin Michael, a portfolio manager at ABC Funds, said in February 2021 that he sees pent-up dividend increases over the next six to 12 months.

Canadians with enough money can take the cue and start the trek towards \$1 million. While the goal isn't impossible, I should remind you that to pull it off, [make the right investment choices](#) and have a long investment horizon.

### Invest for the long term

No one gets rich in the stock market overnight. The long-term investment approach is still the [best way](#) to have a crack at \$1,000,000. You must be ready to lock in your money for the long haul and exercise patience. Historically, stocks deliver better, if not solid, long-term returns.

Volatility is always present, but the extreme ones happen in shorter time frames. The low-interest-rate environment may tempt you to invest only to boost short-term returns. However, it still makes more sense to take the long route now that the TSX is likely to sustain its upward momentum throughout the year.

### Know the top-performing sectors

When choosing investments, it would be best to check the advancing or trending sectors. The technology sector (-1.85%) ruled the market in 2020, but so far this year, it's the poorest performer among the 11 primary sectors. The energy sector (+38.33%) was the worst performer last year but leads the pack, followed by consumer discretionary (+14.31%) and financials (+13.59%).

### Watch out for new investment trends

Billionaire investors like Warren Buffett and Nelson Peltz might create a sea change with their increased investments in 5G, the Internet of Things, and the telecom space. Buffett's **Berkshire Hathaway** picked up shares of **T-Mobile** and **Verizon**, while Peltz's Trian Partners increased its stake in **Comcast** to more than US\$1 billion.

Jim Patterson of Patterson Advisory Group said, "Telecom is becoming a focus of the investment community because it has not had the price appreciation of other assets." T-Mobile CEO Mike Sievert said Buffett sees the value of the telecom sector. He adds, "This sector is valuable."

## Make the logical choice

If you were to capitalize on the emerging investment trend, Canada's largest telecom should be the logical choice. Indeed, **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) has yet to take off. The telco stock's trailing one-year price return is only 4.83%. However, market analysts are bullish and forecast a potential 14% appreciation from \$59.49 to \$67.99.

Regarding the journey to one million, BCE pays a hefty 5.92% dividend. A \$150,000 investment today will compound to \$842,229.45 if your investment window is 30 years. The sample computation illustrates the power of compounding. BCE is a suitable investment for three compelling reasons.

The nature of the business is enduring, the 5G network rollout will increase monthly recurring revenue by 20%, and BCE is a Dividend Aristocrat. The \$53.82 billion company has increased its dividends for 15 consecutive years and an average 5% increase for 12 straight years.

## Start the quest

Building wealth is long-drawn activity but rewarding if you have the financial discipline to see it through. A Dividend Aristocrat like BCE should help you get to your destination. Set your sights on \$1 million and start the quest in 2021.

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