2 Bets That Might Pay Off by 2025

Description

Not all stocks are held long term for the same reason. It's a good idea to keep decent Dividend Aristocrats long term, because the rise in payouts might help you stay ahead of inflation (if you have a decent-sized dividend income). Many steady and reliable growth stocks are amazing long-term holdings, since the longer you keep them, the more sizeable your nest egg is likely to become.

There is another type of stock that you might consider keeping in your portfolio for years — even decades. And these are stocks that *might* pay off in the right conditions. Naturally, because of their "unpredictable" nature, you shouldn't divert too much of your capital into these stocks, but even a small investment can help you grow your capital by a decent margin once these wildcard bets pay off.

A marijuana stock

Cannabis stocks have been in a rut for so long now that many investors have disregarded this category as a lost cause. Some vitality was promised alongside the U.S. marijuana legalization, but that's also on the ice for now. Most cannabis stocks in Canada are simply down, but one, **HEXO** (TSX:HEXO)(NASDAQ:HEXO), has completely cratered.

The stock is currently trading at a price 95% down from its 2019 peak. This kind of fall usually spells major financial trouble, like a company heading for bankruptcy. HEXO, however, got down to that level because of its dangerous approach to debt. The company is using debt to fund its aggressive acquisition strategy and has already acquired three major businesses, including Redecan, which cost the company $400 million.

Even the company's auditors have raised significant doubts regarding the company's survival, making it a dangerous purchase, to say the least. But if you buy at the current price, and the position the company has claimed in the recreational market (thanks to the acquisitions) starts paying off, the return could be quite magnificent. If the stock can reach its glory-days valuation, buying now would mean multiplying your capital by 29.

A tech stock

CloudMD Software & Services (TSXV:DOC) is one of the few players in the still-nascent "digital healthcare delivery" marketplace. Even though telehealth has been around for a very long time, it has mostly been a niche market. But the pandemic helped many people and businesses realize that telehealth or virtual healthcare is an option worth considering.

And that's not all that CloudMD does. The company is building a "combined healthcare ecosystem," which includes health coaching, primary care, and healthcare navigation. The network already includes 11,500 mental health professionals, 22,000 family doctors, and about 55,000 specialists.

The stock (at least till now) is not nearly as promising as the company's own growth potential. It did spike in its early days (which was well into the pandemic), and the stock grew about 346% in a matter of months. But it has been downward relatively smooth sailing since then. But as the digital healthcare delivery solutions gain traction, CloudMD might start shining much brighter, and the stock may take off.

Foolish takeaway

If you can keep these two potentially powerful growth stocks in your portfolio till 2025, they might be able to give a decent boost to your overall capital appreciation. Make sure to close the position at the right time. These stocks are more reliable for their occasional spikes than they might be for long-term growth potential.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:HEXO (HEXO Corp.)
2. TSX:HEXO (HEXO Corp.)
3. TSXV:DOC (CloudMD Software & Services Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothman

2. kduncombe

Category

1. Investing

Date
2025/08/15
Date Created
2021/11/11
Author
adamothman