3 Stocks to Fast Track Your Wealth Accumulation

Description

Your earnings and savings aren't the only two variables when it comes to wealth building. There is an essential third variable — growth. The rate at which your savings are growing can help you overshoot or miss your wealth-accumulation goals.

And if you are looking for investments that can expedite the pace of your wealth building, there are three stocks that you should look into.

A software company

With a market capitalization of just $240 million, **Kneat.com** (TSX:KSI) might seem more volatile than tech stocks in general, though its beta of 0.63 discredits this notion. Kneat is an e-validation software or a paperless validation solution that allows businesses from various industries to eliminate the paper-based validation chain.

Even though it's aimed at and used in several different industries, it outshines its competitors in the healthcare industry. The top 10 global healthcare leaders use it.

The stock, which peaked at double digits almost 26 years ago, is currently trading at $3.2 per share, which is the result of 435% appreciation in the last five years alone. And that's after the 30% discount from its peak.

An e-commerce giant

If we consider the market cap, **Shopify** (TSX:SHOP)(NYSE:SHOP) is on the opposite end of the spectrum (in the tech sector) compared to Kneat. The largest tech company by market cap has managed to retain its top spot, even after the drastic 71% drop. Considering the current trajectory of the stock, it's highly likely that it will keep falling and become even more attractive from a valuation perspective.

Even now, with a price-to-earnings ratio of just 20.9, it's the most attractively valued stock in the tech sector. And even though the current slump looks scary, the fact remains that Shopify is one of the most prominent players in the e-commerce domain. And it's making great strides in certain areas, like integrating **Bitcoin** payment solutions, which reveal its future-facing approach.

If Shopify falls further, let's say to about $400 a share, and there is a decent chance that it *will* reach its former peak any time within the next decade, you can experience at least five-fold growth by buying the slump.

A cargo stock

Another stock that is currently underperforming compared to its stellar history is **Cargojet** (TSX:CJT). It's one of the best growth stocks of the last decade, and even after the post-pandemic slump, its 10-year appreciation is phenomenal — 1,885%. That's about 180% growth every year. And even if the stock is capable of maintaining one-fifth of this growth rate in the future, it's a compelling buy.

The stock is currently available at a discount of about 33%, and though the stock hasn't fallen as rapidly as Shopify, the slow slump is just as discouraging. The only silver lining is the valuation discount that comes with the price discount, making Cargojet undervalued after years, if not decades. The slump hasn't done much about the yield, however, and it's still under 1%.

Foolish takeaway

Two out of three growth stocks are currently attractive for more than just their growth potential and offer handsome discounts. And if you wait a while before buying, you may end up getting an even better discount and maximizing your return potential.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CJT (Cargojet Inc.)
3. TSX:KSI (kneat.com inc.)
4. TSX:SHOP (Shopify Inc.)

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Author
adamothman