



2 Stocks That Can Double Your Money During an Economic Recovery

Description

Once, an investor asked an adviser, “How can I double my money instantly without investing?” The adviser replied, “Put a pile of cash in front of the mirror.” That was a neat trick, but it won’t double your money. What you need are an investment plan and some good growth stocks.

In this article, I will take you through two such growth stocks. You may read a lot of memes about buying the dip and losing money. But patience pays off for fundamentally strong stocks; and if they do not double, they will grow your money handsomely in a few years.

Growth stocks that can double your money

The stock [market downturn](#) in 2022 has created an opportunity to buy two growth stocks at heavy discounts. These stocks have secular demand for their products and are well-placed to tap this demand, but the economic weakness has pulled down the stock price. They are:

- **Magna International** ([TSX:MG](#))([NYSE:MGA](#))
- **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#))

Magna stock

Magna is eyeing the electric vehicle (EV) trend. It has partnered with 24 of the top 25 EV makers to offer automotive components and/or third-party auto manufacturing services. This EV trend got delayed because of the pandemic in 2020, chip supply shortage in the second half of 2021, and now the Russia-Ukraine war and looming recession in 2022.

These headwinds have pushed back EV sales growth forecasts, but many research firms are still bullish on the EV market. I looked at three reports, and all [forecast](#) a 20%+ compounded annual growth rate (CAGR) for the global EV market by 2028.

Now is an opportune time to buy Magna stock as it trades 30% below its 2022 high. The company has

reduced its 2022 forecast after factoring in the short-term headwinds. But its \$2 billion cash reserve gives it sufficient financial flexibility to withstand a slowdown in sales. The stock showed aggressive growth of 92% between October 2020 and May 2021, when everything EV surged. During that time, EV momentum returned for a brief period on the back of pent-up demand from the pandemic.

When the 2022 headwinds subside and the economy moves to recovery, Magna stock could double your money. The next wave of EV momentum could last longer, provided there are no more supply shocks or macroeconomic crises.

Descartes Systems stock

Another stock that can grow significantly during an economic recovery is Descartes Systems. The supply chain management solutions provider benefits from global and local logistics and trade momentum. Its solutions facilitate the trade of the right goods at the right place at the right time by allowing a smooth flow of information throughout the supply chain. This information includes trade routes, order details, custom declarations, and so on.

Descartes's stock price is currently hit by the supply chain disruption from geopolitical tensions and the pandemic. But its earnings and revenue are growing because of its diverse customer base, from airlines to industries. A looming recession and a slowdown in trade could cause a short-term slowdown. When the economy recovers, so would trade and e-commerce, driving demand for Descartes's solutions.

Descartes saw an uptick in demand for e-commerce during the pandemic and customs solutions after the 2018 United States-China trade war. Its stock jumped over 50% during the recovery phase. Similar or higher growth is likely when the economy sets the course for a recovery this time.

Good returns come to those who wait

It is difficult to time the market. If you saw all those movies and documentaries on the Great Recession, hedge funds knew a crisis was coming, but no one could time it. The fundamentals and market environment are optimistic for the above two stocks. Exercising patience for three to five years could help you double your money in reality, not in a mirror.

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TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:MGA (Magna International Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:MG (Magna International Inc.)

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Author

pujatayal

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