



Rebound Rockets: 2 Beaten-Down Stocks You'll Be Happy You Own in 2032

Description

There are many ways to make money in stocks. You can either jump onto the rally, grab multi-bagger stocks, or bet on growth stocks that have been beaten down by certain events. Your core portfolio should contain strong, [large-cap](#) growth and dividend stocks. But you can use a small portion of around 10-14% of your portfolio for stocks that could rebound in the long term.

How to identify rebound stocks

The long term generally refers to more than five years. But when the stock in question is beaten down, a 10-year horizon is better. These stocks have taken beatings from external or internal factors but are still standing.

There is a proverb: "You live to fight another day." It is not about winning small battles but fighting until the war ends.

In an economic crisis, sometimes companies have to survive to fight another day. Because when the recovery begins, that will be their chance to rebound. To find rebound stocks, you have to see what is pulling down the stock price. Does the company have the financial flexibility to survive the crisis? What is the management's plan to rebound?

Two rebound stocks to buy and hold till 2032

The 2022 [bear market](#) has been harsh on many stocks, but some have what it takes to bounce back when the time comes.

Magna stock

This stock has dipped 38% from its June 2021 peak of \$125. **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is one of the largest automotive component suppliers and has tie-ups with 24 of the top

25 electric vehicles (EV) makers. It is one of the key beneficiaries of the EV revolution, but this growth is stalled due to external factors. The pandemic paused automotive manufacturing in 2020. As the pandemic started easing, the automotive chip supply shortage pulled down car sales. The European energy crisis affected manufacturing, as the government is rationing natural gas supply for the winter. All macro factors are delaying the recovery.

But the EV revolution is still alive. Valuates Reports [expects](#) the global EV market to increase at a compounded annual growth rate (CAGR) of 18.2% by 2032. Magna would be a key supplier of body exterior, power and vision, and assembly services to a significant portion of this market. Its revenue growth is delayed, which means it could rebound at a higher rate in the latter half of the decade.

Magna has \$1.7 billion in cash reserve and \$3.5 billion of unused credit lines to survive the recession. It is using this time to build factories, secure design wins, and partner with new suppliers, so it is ready to strike when the iron is hot.

As for the bounce back, Magna stock has shown its rebound rally in the past; it jumped over 260% in the two years after the 2009 Financial crisis (49% dip), and it jumped 207% a year after the March 2020 pandemic (45% dip). The 38% dip of 2022 could see a rebound of 200%, and the EV revolution could extend this rally further. But you need to be patient in the short term, as the stock could fall further.

BlackBerry stock

Another EV aspirant is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), which is banking on its QNX operating system (OS), which powers over 215 million vehicles for growth. BlackBerry stock has fallen 43% since September 2021, when the initial signs of a tech stock selloff were visible. This software company offers endpoint cybersecurity services and Internet of Things (IoT) OS. The company is waiting for the IoT revolution, which is delayed due to the lack of an ecosystem.

BlackBerry is also eyeing the EV and autonomous vehicle revolution that will make its automotive OS and cybersecurity of devices a necessity. It expects its IoT and cybersecurity revenue to surge at a CAGR of 19.8% and 10%, respectively, in the next five years. Although the company is making losses, it has \$721 million in cash and equivalents to help it fight till the crisis is over.

BlackBerry's rebound history is not quite appealing as Magna's, as it underwent a multi-year restructuring from mobile hardware to security and automotive software. But the time has come for the restructuring to bear fruit.

CATEGORY

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