



## 2 Monster Stocks to Buy Without Any Hesitation

### Description

It's time to bid farewell to 2022 and raise a toast to 2023 and a fresh \$6,500 Tax-Free Savings Account Limit ([TFSA](#)) limit increase. The year 2023 brings hopes of slowing inflation, easing of the supply chain, and controlling COVID cases in China. But it also brings fear of more interest rate hikes and stagnation in economic growth. This mix of hope and fear will likely keep stock market growth tepid till there are signs of a pause in interest rate hikes.

At times like these, the investor dilemma of where to invest is aggravated as this is when picking value stocks can give you monster returns.

### What are monster stocks?

Monster stocks are the ones that can outperform the market for a long time and give your investment portfolio the edge to generate monstrous returns. But just like monsters, such stocks are difficult to believe in and hard to find. Such stocks can breed well in certain market conditions and double your money.

Many investors fear these stocks when they fall and don't believe in their long-term upside. But only those who befriend these stocks get to enjoy the breakout returns they have to offer.

### Monster stocks to buy without hesitation

I have identified two monster stocks you can buy without hesitation and give your portfolio a chance to grow significantly.

### Algonquin Power & Utilities

How can a utility stock give you monstrous growth? **Algonquin Power & Utilities** ([TSX:AQN](#)) stock has halved this year and is now heading into 2023, where the energy crisis will only worsen as Russia

stops its oil and gas supply to Europe. The United States Strategic Petroleum Reserve (SPR) has reached an alarmingly low level, which it will start refilling next year. Until now, renewable energy stocks have performed poorly, as there was always an easy alternative (oil and gas).

But with climate change at dangerous levels and the oil supply becoming scarcer, renewable energy would be the go-to source of electricity. As I said before, monster stocks thrive in certain conditions, and that condition for Algonquin is the urgency to go green. When the government announces new subsidies and policies for renewable energy companies and eases interest rates, this utility stock will double your money. Here's how.

Algonquin Power business generates [renewable](#) energy from wind and solar, and its Utility business supplies electricity, gas, and water to industrial and residential customers. The Utility business brings regular cash flows, and the Power business increases cash flows as the company acquires new power plants and converts them into renewable energy plants. Algonquin's stock halved as its acquisition of Kentucky Power exposes the company to \$1.2 billion debt, the majority of which is floating rate.

The acquisition will bring more cash to Algonquin, but higher interest expenses could keep profits thin. The Bank of Canada cannot keep the interest rate at high levels forever. When interest rates start receding, Algonquin's interest expense will reduce and profit margins improve. Interest rates are unlikely to ease in 2023, and Algonquin's net loss is making investors wary. If it can thrive in a recession, Algonquin could make a significant comeback.

## goeasy

**goeasy** ([TSX:GSY](#)) stock is like walking towards the storm in a weak economy plagued by higher interest rates. This sub-prime lender saw an uptick in new loans (47%) in the [third quarter](#) as banks (prime lenders) tightened their loan requirements. One way to look at sub-prime lenders is high delinquencies, as the purchasing power of an individual reduces in an inflationary environment.

But the company reported the highest percentage of low-risk loan originations in the third quarter. Despite reporting strong [fundamentals](#), goeasy stock slipped 42% as investors fear delinquency amid the rising cost of financing. The stock could deliver monster growth when the economy recovers, and investor confidence returns.

goeasy stock has rebounded in the past and doubled investors' money in a year. A 38% dip in the second half of 2018 followed a 125% rally in 2019. A 60% dip in two months of 2020 followed a 600% rally in the next 18 months.

The above two monster stocks can double your money when the time is right. You just have to wait for it.

## CATEGORY

1. Investing
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1. Editor's Choice

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:GSY (goeasy Ltd.)

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## Date

2025/06/28

## Date Created

2022/12/29

## Author

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