2 Stocks That Could Turn $1,000 Into $350,000 by 2033

Description

How can you convert $1,000 into $350,000 in 10 years? That would require your investment to increase at a compound annual growth rate (CAGR) of almost 80%. Only crypto stocks can give you such growth but with significant risk. But an investment of $1,000 per month for 10 years in reasonable growth stocks with 20% CAGR can grow your portfolio to $350,000 by 2033. Is that too much to digest? Let's look at the 10-year investment cycle.

How to convert $1,000 into $350,000 in 10 years

Year	Annual investment	20% Annual Return in $	Portfolio Total
0	$0.00	$0.00	$1,000.00
1	$12,000.00	$1,463.81	$14,463.81
2	$12,000.00	$4,156.57	$30,620.38
3	$12,000.00	$7,387.89	$50,008.27
4	$12,000.00	$11,265.46	$73,273.73
5	$12,000.00	$15,918.55	$101,192.28
6	$12,000.00	$21,502.27	$134,694.55
7	$12,000.00	$28,202.72	$174,897.27
8	$12,000.00	$36,243.26	$223,140.53
9	$12,000.00	$45,891.91	$281,032.44
10	$12,000.00	$57,470.30	$350,502.74

10-year investment cycle for a $1,000 monthly investment at 20% CAGR

Let's say you start with $1,000, invest $1,000 per month, and have invested $121,000 in 10 years and one month. If your $12,000 annual investment grows by 20% each year, and you add $12,000 more every year, which grows at a similar rate, the amount would grow to $350,000.

The challenge is to get that 20% return. The stock market goes through peaks and troughs. Every market cycle has a certain set of stocks that outperform, and then there are resilient stocks that give stable growth in the long term. Some growth stocks may give you a 50-80% return in a year and a 20-30% decline in the next year. The objective is to earn an average return of 20%.

Two 2023 growth stocks in your journey to $350,000

The 2023 market is good for buying value stocks, as fears of a recession have pulled down the price of strong stocks. A rebound rally can give you 50-60% growth.

Nvidia stock

The new year brings a fresh Tax-Free Savings Account (TFSA) limit of $6,500, and you can buy Nasdaq stocks through this account while enjoying the tax benefit. The first stock worth buying in 2023 is graphic card leader **Nvidia** (NASDAQ:NVDA). Nvidia has more returns than risks. The company took a hit in 2022, as the crypto bubble burst forced crypto miners to dump second-hand graphic processing units (GPUs) in the market. The decline in PC sales, **Ethereum's** switch to proof-of-stake to verify transactions, COVID lockdowns in China, and weak macroeconomic conditions reduced demand in the gaming space.

But the above challenges did not affect Nvidia's long-term growth in the data centre and automotive segments. In the first half of 2017, Nvidia earned 53% of its revenue from gaming. At that time, it focused on growing its data centre revenue, as artificial intelligence (AI) adoption increased. After five years (including the first half of 2022), Nvidia earned 51% of its revenue from data centres, and the stock grew 372%.

Nvidia is eyeing self-driving cars for growth and is seeing progress. While Nvidia's other segments' revenue fell, automotive and data centre's third-quarter revenue surged 86% and 31% year over year, respectively.

The weak market conditions pulled down Nvidia's stock by 20% in December, creating an opportunity for you to lock in another 200-300% rally in the next five years. A $300 monthly investment in this stock through its bear phase can help you lock in a five-year CAGR of more than 30%.

TC Energy stock

TC Energy (TSX:TRP) stock took an 18% slump in the last 30 days after the Keystone pipeline recorded its biggest oil spill. This pipeline has kept TC Energy in the news. But the company has been transitioning to natural gas pipelines. The oil spill will probably keep the stock near its low for some time, creating a buying opportunity for dividend seekers.

If you are worried about TC Energy's cash flows, you can relax. The company earns more than 80% of its income from natural gas pipelines. Moreover, it has several new natural gas pipelines coming online in the next three years, which could offset any losses from the Keystone pipeline. I don't expect TC Energy to pause dividend growth because of an oil spill, though it might slow the growth rate.

The stock price can give you an over 6.5% dividend yield and a 20% recovery rally.

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