



Just in Time for Christmas: 3 Stocks Under \$10 That Make for Great Stocking Stuffers

Description

Christmas is less than a month away, and chances are, you have no idea what to get this year. But that's okay; I'm here to help.

Below are three picks under \$10 that make for great "stocking stuffers" for any Fool's portfolio.

One of the best upstream names for the growth investor in your life

Raging River Exploration Inc. (TSX:RRX) is a pure-play junior oil and gas producer near Kindersley, Saskatchewan, with a solid track record of executions throughout the commodity cycle.

Moreover, Raging River has grown tremendously since inception; production volumes have increased at a 37% annual rate in barrels of oil equivalent (BOE), while it's exercised strict balance sheet discipline with debt levels never exceeding cash flows.

Furthermore, owing to its specialization in the Kindersley area, Raging River can afford to be very flexible with cost-cutting measures in the face a prolonged oil supply glut. In fact, it was this flexibility that allowed the company to emerge from the worst of the downturn last year; it was one of the few oil names to turn a profit. With cash flows from operations up 14% year over year, and industry-leading operating netbacks of \$30.93/boe, Raging River is primed to outlast this cyclical downturn.

Some yield for the income investor

Pure Industrial Real Estate Trust (TSX:AAR.UN), A.K.A. "PIRET," is a diversified industrial player with assets across Canada and the United States. There are several qualities of PIRET that makes it a top pick for the income investor in your life. First and foremost is its 6% yield, which makes up 87% of its AFFO—more or less in line with peers.

Second is PIRET's sound balance sheet; as per Q3 2016, the REIT reported a debt-to-gross-book-value ratio of just 43.4%, which is well below the sector average and its own ceiling of 70%.

Finally, PIRET's adjusted NOI—arguably the most important metric to gauge a REIT's underlying operations, has continuously increased over the last eight quarters; Q3 2016 had an adjusted NOI increase of 9.6% year over year, while vacancy rates fell by 1.1% during the same period.

These qualities mean, of course, that its juicy yield is quite safe. At net asset value per share of \$5.40, you can pick this one up at a discount to its portfolio of assets just in time for Christmas.

And a lump of coal

Ironically, this last stocking stuffer is a coal company by the name of **TransAlta Corporation** ([TSX:TA](#)) ([NYSE:TAC](#)). It derived 34% of its FY 2015 EBITDA from the outdated fossil fuel. Unfortunately for TransAlta, this coal-heavy exposure was precisely the reason why the stock traded at such low levels.

But for the shareholders who have suffered long enough, Christmas came early in the form of \$37.4 million annual payments from the Albertan government from now until 2030 for TransAlta to shut off its coal plants and go green. With the large cloud of uncertainty removed from the shares, don't expect this one to be a sub-\$10 stock by next Christmas.

The bottom line

Who says you have to wait until Boxing Day for all the best deals? The aforementioned three stocks are perfect for those on small accounts looking for capital gains, income, or a bit of both. So this year, don't ask Santa for a new Red Ryder BB Gun; ask him for shares of Raging River, PIRET or TransAlta instead.

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1. Dividend Stocks
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2. TSX:TA (TransAlta Corporation)

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