



## 4 Top Stocks Trading Around \$10

### Description

For investors who are just beginning to accumulate a portfolio of stocks for their [RRSP](#) or TFSA, take a look at these stocks that are trading under \$10.

These [affordable stocks](#) have long histories, solid management, and bright futures.

Let's take a look in more detail in order to help determine which is best for you.

#### Tricon Capital Group ([TSX:TCN](#))

Trading at just over \$10, Tricon offers investor exposure to the rapidly growing rental market in the U.S.

The rental homes segment accounts for 87% of Tricon's adjusted EBITDA, and in the third quarter of 2018, adjusted EBITDA from this vertical increased 9% to \$73.7 million, with a net operating income margin of 60.9%.

Tricon has an excellent track record of growing the business and taking advantage of the opportunity in the U.S. real estate market, as is evidenced by the way management took advantage of the 2008 housing crisis by buying at distressed levels.

The reasons to own this stock are mostly based on the company's emerging rental homes portfolio and the strength they are seeing there, as well as its dividend yield of 2.6% and management's strong track record of creating value.

#### Freehold Royalties Ltd. ([TSX:FRU](#))

With a highly diversified list of exposure, Freehold's royalty model means that it is more sheltered from Canadian oil discounts than other Canadian energy stocks.

Trading at \$9.41 at the time of writing, Freehold stock currently has a dividend yield of 6.72%, as it has been hit hard in the last year, down roughly 40%.

But is this justified?

Freehold has a low risk business model with relatively predictable cash flows and a strong balance sheet.

Operating cash flow increased 8% in the second quarter of 2018, and the company's free cash flow yield was above 20%.

With a payout ratio of only 55%, investors have enjoyed dividend increases recently, as the company's free cash flow generation has increased dramatically in accordance with the increase in oil prices.

#### **Calfrac Well Services Ltd. ([TSX:CFW](#))**

Trading at only \$3.75 at the time of writing, Calfrac is a higher risk name.

But it too has a bright future ahead with the highest potential upside of this group.

Calfrac is very active in the high growth Alberta Deep Basin and Northeast British Columbia areas with good exposure to the prolific Permian basin in the U.S.

So with good exposure to the North American market, the stock can be expected to make significant gains on the back of increased drilling and pricing power.

#### **Martinrea International Inc. ([TSX:MRE](#))**

Martinrea stock trades at approximately \$11.50.

This solid \$1 billion auto-parts supplier trades at roughly book value, despite a strong track record of growth, balance sheet strength, and strong returns, making it a solid bargain to consider adding to your portfolio.

And the stock has remained very attractively valued despite the company achieving growth rates of well above the industry (capturing market share), and continued solid margin improvements.

In the company's latest quarter, adjusted EPS increased 16.8% as EBIT margins more than 200 basis points higher than the prior year.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

### **TICKERS GLOBAL**

1. TSX:CFW (Calfrac Well Services Ltd.)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:MRE (Martinrea International Inc.)
4. TSX:TCN (Tricon Residential Inc. )

## **PARTNER-FEEDS**

1. Msn
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