3 Stocks Trading Under $5 That Could Take Off!

Description

For investors looking to score cheap stocks with a lot of upside, targeting shares that are trading below $5 is an easy way to do so. Below are three stocks that fit that criteria and that could be great buys today.

Green Organic Dutchman Holdings (TSX:TGOD) has been struggling over the past month, as it has lost more than 10% of its value and by Monday's close, the stock had fallen below $4. Last year, the stock was one of the hottest buys, as its infusing technologies had investors excited about the prospects for the edibles market.

However, that euphoria has fallen back down to reality; with limited sales and no big developments on the beverage front, investors have opted for other options. For contrarian investors, it could be an intriguing opportunity to buy low on a stock that still has a lot of promise. With a planned capacity of 219,000 kg and facilities in multiple countries, the company is positioning itself for strong sales once everything is fully up and running.

It will take time to get there, but once it does, TGOD could prove to be one of the major players in the industry.

Baytex Energy (TSX:BTE)(NYSE:BTE) is trading around $3 a share. With a price-to-book ratio of just 0.5, it's a heavily discounted stock for investors willing to take on some risk. Although the company has not given investors much to get excited about, especially after posting a big loss in its most recent quarterly results, Baytex has still risen more than 25% in just the past month, as oil prices have gotten stronger and given investors reason to be more bullish on oil and gas stocks.

Over the past year, however, Baytex is still down 30%, but that also means it could have a lot more room to recover and investors that buy today have the potential to earn a good return if it does. While there is definitely some risk investing in Baytex, the company saw sales grow 31% in 2018. A stronger price of oil could help with the company's margins, which in turn would help the company get closer to being profitable again.

Bombardier (TSX:BBD.B) has made a good recovery since the share price fell below $2 a share last year. Despite all the drama surrounding Bombardier, the company has found a way to string together some positive results.

For four straight quarters, Bombardier has been able to generate a profit. While a profit margin of 1.4% is not something that's going to get investors overly excited, for a stock that's been deep in the red in four of the past five years, it's a big accomplishment.

If Bombardier can continue building on these results and consistently stay out of the red, then it could certainly bring a lot of investors back on board. The stock has persevered through a lot. If it can make more progress, it has the potential to rise above $5 a share, which would be a terrific return from where it is today.

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1. Cannabis
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Date
2025/08/26
Date Created
2019/04/17
Author
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