



3 Stocks Under \$5 That Could Make You a Penny-Stock Millionaire

Description

Stocks hitting 52-week lows can be the perfect opportunity to turn your average portfolio into a retiree's dream. But there is a downside. Stocks such as the ones I'm outlining here have a lot of opportunity, but a lot of risk is also attached to them. That's why it's important to look hard and research whether these stocks are a chance to buy a bargain in the midst of a turnaround or a stock with serious potential.

As fellow Fool writer Brian Pacampara [pointed out](#) recently, these situations can be hard to come by. "If you have ambitious dreams of turning an average \$27K TFSA into a million bucks in 20 years, you'll need an annual return of at least 20% to do it." That's a lofty goal, but it isn't impossible.

That's why today I'll be taking a look at three stocks under \$5 hitting 52-week lows that all have the potential to soar. So, let's get to it.

Bombardier

Bombardier ([TSX:BBD.B](#)) has been hovering around its 52-week low of \$1.60 lately after hitting almost \$3 a share this year back in February — a drop of 47%.

The plummet in stock price came after the company warned investors that its 2019 revenue would be US\$1 billion lower than expected. A significant drop for a company that is trying to win over investors again.

However, the stock has recently seen a bit of a boost with news that it has almost completed its exit from the commercial airline space. This came after Bombardier announced it would sell its regional jet division to Mitsubishi for US\$550 million.

Chief Executive Alain Bellemare marked the sale as a "clear path forward and a powerful vision for the future" along with the company's focus on its global rail and business jet business.

As of writing, the stock is trading at \$2.17 per share — a drop of 28% in the last three months.

Green Organic

Another stock slowly moving towards its 52-week low of \$2.19 is **Green Organic Dutchman Holdings** (TSX:TGOD).

The stock rallied in the beginning of 2019, reaching \$5.48 back in March only to hit a steady decline over the last few months. The most recent drop came after an announcement it would be allocating 230,000 kilograms of cannabis and hemp to Neptune Wellness Solutions.

“Today’s announcement is significant not only because it enables us to start manufacturing certified organic consumer wellness products at scale,” said Briane Athaide, CEO, “but also because of the large and sustained economic impact it will have in Quebec where TGOD is building the world’s largest organic cannabis production facility.”

Despite the seemingly positive news, shares fell almost 9%, adding to the drop of 42% since March.

Gran Tierra

Finally on our low list is **Gran Tierra Energy** ([TSX:GTE](#))(NYSE:GTE), a stock that has fallen almost 12% to its 52-week low of \$1.92 recently due to its latest operations update.

While the company stated it’s achieving record drilling results in Colombia, equipment failures and local unrest have led to shutdowns of some of its oil wells.

The main key management hoped investors would focus on is that these are temporary setbacks and, once online, those record numbers would be hit yet again. Investors aren’t so sure, given the volatility faced in Colombia, but analysts believe that given the stock’s depressed price, there really [isn’t anywhere to go but up](#).

The stock is down 34% since the new year as of writing.

Foolish takeaway

As always, use this knowledge as a starting point to your own research. The Motley Fool has a myriad of articles focusing on these stocks and more under \$5 per share. All three stocks absolutely offer an opportunity to make a killing, but before diving in deep, it might be recommended to take a small stake in each of these companies to see if a trend upwards is in the cards.

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