



3 Top Stocks Under \$20

Description

While a stock price alone isn't the only place an investor should look when considering an investment, it's a great place to start if you have a small amount to invest. Take your Tax-Free Savings Account (TFSA) and this year's contribution room of \$6,000. That leaves you with a limited amount of room to put towards your portfolio; however, there's a lot you can do with that money if you look for the right investment.

Bombardier

Bombardier ([TSX:BBD.B](#)) is an obvious choice for investors who are willing to take on a [bit of risk](#), while potentially benefitting from huge rewards. The Montreal-based manufacturer of regional airlines, business jets, and public transport equipment has had a tormented history in the last two decades, but there is some hope from analysts about its future outlook.

At the turn of the millennium, Bombardier stock had passed \$25 per share, and since then it has plummeted to where it trades at writing at \$2.22 per share. That recent dip has come from disappointing quarterly results, and the company is now in sell-off mode, getting rid of any non-essential asset it can. This included the Mitsubishi Heavy Industries regional jet program for US\$550 million, with the sale also including US\$200 million worth of liabilities assumed by Mitsubishi.

This is just one example of how Bombardier has been focusing on putting cash in its pockets to bring down its debt burden. After the second half of 2019, the company expects its quarterly results to improve, with the worst behind it. With new management on board and more cash coming in, I expect the stock to start trending upwards soon, and fast.

Cameco

Next up, we have **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)), the uranium titan that investors are still a bit wary of. The company is the world's largest uranium producer, which means it was likely hit the hardest by the Fukushima disaster back in 2011.

Before the disaster, the company's stock price was around the \$55 mark. Fast forward to today, and that stock price is now at \$14.14 as of writing. Only a couple of months ago, the share price had reached \$17 per share after a slump in the fall, but with uranium prices remaining low and trade tensions escalating, this stock just can't seem to catch a break.

However, what's important to note is that these are outside factors, albeit important ones. Cameco has produced strong quarterly results even with low prices, and if uranium becomes high in demand, as some analysts out there think it will, this company could benefit hugely.

But while there are dozens of new reactors being built in India and China, the company depends on these going online — and soon if it's going to rally back to prices above \$20 per share.

As the company's CEO Tim Gitzel said, "We see growing support for nuclear, and with more than 50 reactors under construction, demand is certain and predictable. However, supply is uncertain and declining."

While it might be a buy-and-wait type of investment, patient investors should see stellar rewards if they're willing to hold out hope.

Cenovus

Finally, we have **Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)), another buy-and-wait option. The integrated oil company focuses on oil sands, conventional oil and gas, refining, natural gas processing, and transportation. But what have analysts so excited about the future of this stock is its solvent-aided process.

Cenovus once traded near \$40 per share, and that share price has plummeted to around \$11.75 as of writing. That share price is due mainly — again — to [outside factors](#), with the oil and gas industry putting a damper on things for this company. It's also used a bunch of cash for expansion, meaning that it doesn't have the production or the cash flow that some investors might demand.

But with the solvent-aided process (SAP), things could turn around and quickly. Right now, the company uses steam-assisted gravity drainage (SAGD), but SAP would improve extraction two-fold. It maximizes the oil recovered and can be done on site. That means it's making more money and cutting costs at the same time.

While the company is still in the testing phase, once online, this new process could make Cenovus a leader in the oil and gas industry. That makes an \$11.75 share price a huge bargain.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:CVE (Cenovus Energy Inc.)
3. TSX:BBD.B (Bombardier)
4. TSX:CCO (Cameco Corporation)
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