



3 Hot Small-Cap Stocks I'd Buy Right Now

Description

Some friends, relatives, and a few acquaintances would ask me about the difference between small-cap stocks and large-cap stocks. Their follow-up question is predictable: which of the two is a better investment option? My answer is that there are earning opportunities in both.

The investing public has the wrong notion about small-cap stocks. These misconceptions need to be corrected to have an overall meaningful (and profitable) investing experience.

In order to justify my answer and satisfy my personal curiosity, I reviewed three small-cap stocks: **Aleafia Health** (TSX:ALEF), **Altius Minerals** ([TSX:ALS](#)), and **Zenabis Global** (TSX:ZENA). To my surprise, these are "[hot stocks](#)" that investors shouldn't dismiss and should buy right now.

Myths debunked

One myth about small-cap stocks is the weaker earning potential for the investor. That is not the case with Aleafia Health. The \$338.3 million specialty and generic drug manufacturer is positioned to benefit from the marijuana boom.

The Canadian populace needs a company that would educate and help broaden the understanding of medical cannabis and its therapeutic properties. Aleafia Health does just that through a network of 25 medical cannabis clinics and education centres.

The company is also in the business of producing and selling a portfolio of cannabis products, including oils, capsules, and sprays. Aleafia Health also has world-class cultivation and distribution facilities. The mission is to become a premier enterprise engaged in cutting-edge innovation, research, and development that will strengthen the science of medical cannabis.

Income-wise, the company is losing, and so are the industry giants. However, analysts think Aleafia stock will rise from \$1.19 to \$6.50, or a meteoric 446.2% increase. Gains from the stock can exceedingly surpass the gains from the large-cap cannabis stocks.

Many think that small-cap stocks are riskier. That is a valid assertion, but not for Altius Minerals. The \$530.6 million diversified mining royalty company derives royalty and income streams from 15 operating mines that cover tradable commodities like copper, cobalt, nickel, precious metals and zinc, among others.

This year alone, management anticipates collecting approximately \$62-\$72 million in royalty revenue. At \$12.32, the recommended trend is a buy as the capital gain could reach 62.33% which is on the high side for a small-cap stock.

The last myth is that small-cap stocks are not dividend payers, and therefore there's not much to expect. However, if your investment of \$1.57 per share today can increase by 345.86% in the next 12 months, wouldn't that be a market-beating return?

Zenabis Global is a \$311 million cultivator and seller of medical and recreational cannabis in Canada and abroad. The company name does not ring a bell, but the brand names Namaste and Zenabis are gaining popularity. The company is a [weed upstart](#) aiming for coast-to-coast production of cannabis

The company could be a takeover target when the cannabis industry consolidates. Zenabis is a complete package with extensive experience in agriculture, brand marketing, consumer packaged goods, international distribution, technology, pharmaceutical sales, and technology.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALS (Altius Minerals Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Cannabis Stocks
2. Investing

Date

2025/08/19

Date Created

2019/07/16

Author

cliew

default watermark