



3 Explosive Stocks Under \$7 to Make Your First Million

Description

Hello again, Fools.

I'm back to highlight three stocks under \$7. While low-priced stocks carry plenty of risks, they can be a source of ideas when looking for [small, obscure, and underfollowed companies](#)' dirt-cheap bargains; or intriguing turnaround situations.

If you have big 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. Although low-priced stocks are on the volatile side, the upside return potential might be worth the risk.

Let's get to it.

Natural choice

Leading off our list is natural gas and oil provider **Encana** (TSX:ECA)(NYSE:ECA), which currently sports a stock price of about \$5.50 per share.

The stock has been pummeled in recent months on concerns over its debt-boosting acquisition of Newfield Exploration, but now might be an opportune time to pounce.

In last week's Q2 results, EPS topped estimates by \$0.03 as revenue more than doubled to \$2.06 billion.

More important, the company generated \$127 million of free cash flow during the quarter.

"Our free cash flow is significant and will be used to fund the share buyback and strengthen our balance sheet," said President and CEO Doug Suttles.

Encana shares are down 31% in 2019 and currently offer a dividend yield of 1.7%.

Golden opportunity

With a lowly price tag of \$4.50 per share, gold producer **Yamana Gold** ([TSX:YRI](#))([NYSE:AUY](#)) is next up on our list.

Yamana shares have been on fire in recent weeks on the rising price of gold, and I wouldn't bet on that momentum to slow anytime soon.

In the company's recent Q2 results, revenue increased 6.4% as production improved 7% to 257.5 thousand gold equivalent ounces.

Moreover, management raised its full-year production guidance for its key Jacoba mine in Brazil by 5%.

"We have embarked on a new era, significantly improving our balance sheet and financial flexibility, which will allow us to pursue our organic growth opportunities at a time when the metal price cycle appears to be turning," said CEO David Racine.

Yamana is up 41% in 2019.

HEX marks the spot

Rounding out our list is marijuana producer **HEXO Corp** ([TSX:HEXO](#))(NYSE:HEXO), which can be purchased at the very low price of \$5.85 per share.

HEXO has been beaten down amid concerns surrounding the overall cannabis industry, providing sharp value Fools with an attractive buying window.

Currently, the stock trades at a PEG ratio of just 1.0. And in the most recent quarter, gross revenue spiked 1,269% as dried cannabis produced improved 39% over the year-ago period.

"This quarter not only saw an exponential increase in gross revenue and production, but also saw us continue to execute on our promises including reaching a construction and licensing milestone on our 1,000,000 square foot greenhouse expansion and listing on the NYSE-A," said CEO and co-founder Sebastien St. Louis.

HEXO is down 44% over the past three months.

The bottom line

There you have it, Fools: three amazing stocks under \$7 worth checking out.

As always, don't see them as formal recommendations. Instead, view them as a starting point for more research. Low-priced stocks are particularly fickle beasts, so plenty of homework is still required.

Fool on.

CATEGORY

1. Cannabis Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

TICKERS GLOBAL

1. NASDAQ:HEXO (HEXO Corp.)
2. NYSE:AUY (Yamana Gold)
3. TSX:HEXO (HEXO Corp.)
4. TSX:YRI (Yamana Gold)

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