



3 Rocket Stocks Under \$10 Poised to Pop

Description

Hi there, Fools. I'm back to highlight three stocks under \$10. 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 \$1,000,000 in 20 years, you'll need explosive returns to do it. Although low-priced stocks are on the volatile side, the upside return potential might be well worth the risk.

Let's get to it.

Seventh heaven

Leading off our list is oil and gas producer **Seven Generations** (TSX:VII), which is up about 31% over the past three months and currently trades at a price of \$9 per share.

The stock has suffered over the past few years on weak energy prices and production concerns, but recent operating momentum suggests that the worst is behind it. In the company's Q3 results on Thursday, EPS of \$0.25 smashed estimates by \$0.25, even as revenue declined 11% to \$718 million.

Looking ahead, Seven Generations remains on track to achieve its full-year production guidance of 200,000-205,000 boe/day.

"The company expects to generate an expanding free cash flow profile as decline rates moderate according to plan, new development regions are brought on-stream utilizing existing infrastructure and value-creating enhancements drive durable improvements to margins," wrote the company.

Seven Generations trades at a forward P/E of 11.

Sand in your eye

Next up, we have gold producer **Sandstorm Gold** ([TSX:SSL](#)), whose shares are up roughly 40% over the past year and trade at \$8.70 per share.

In addition to the obvious strength of gold, Sandstorm's price appreciation is nicely supported a risk-mitigating royalty model, a diversified production profile, and hefty cash flows. In the most recent quarter, EPS of \$0.03 topped estimates by \$0.01, revenue jumped 49% to \$26 million, and operating cash flow clocked in at a record \$18.2 million.

"Overall I'm excited with the business that we've built, the amounts of cash flow that we're now generating, the amounts of growth that we have already purchased and we expect to come online over the next few years," said CEO Nolan Watson in a conference call with analysts.

Sandstorm sports a beta of -0.21.

Exco marks the spot

Rounding out our list is auto parts manufacturer **Exco Technologies** ([TSX:XTC](#)), which is down about 18% so far in 2019 and currently trades at a lowly price of \$8.10 per share.

The stock has been punished on declining revenue and economic concerns, but now might be an opportune time to jump in. Even with its top-line declining 22% in the most recent quarter, Exco managed to generate operating cash flow of \$13 million — more than enough to fund \$3.7 million in dividend payments and \$1.9 in share repurchases.

Furthermore, the company's balance sheet and liquidity remain very strong.

Total currently offers an attractive dividend yield of 4.7%.

The bottom line

There you have it, Fools: three amazing stocks under \$10 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. Energy Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:SSL (Sandstorm Gold Ltd.)
2. TSX:XTC (Exco Technologies Limited)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

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

Date

2025/07/02

Date Created

2019/11/10

Author

bpacampara

default watermark

default watermark