



## 3 Top Penny Stocks Under \$10

### 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.

So, if you're looking to get your 2020 off to an explosive start, this should be a good place to start.

### Electric opportunity

Leading off our list is electric utility **TransAlta**, which is up about 60% in 2019 and currently trades at a price of \$8.94 per share.

The stock has been volatile over the past year, but recent operating momentum suggests that things might stabilize in 2020. In the company's Q3 earlier this month, TransAlta generated a whopping \$170 million in free cash flow.

Looking ahead, management now sees full year free cash flow of \$300-\$340 million, up from its prior outlook of \$270 million to \$330 million.

"Results for the quarter were stronger than expected and demonstrated progress in our business transition," said President and CEO Dawn Farrell. "We continue to be pleased with the Alberta thermal business, which showed stronger margins and availability performance."

TransAlta currently offers a dividend yield of 1.9%.

## Bet the farm

Next up, we have dried cannabis producer **Village Farms International**, whose shares are down 46% over just the past six months and currently trade at price of \$9.06 per share.

Despite its slumping stock price, Village Farms's transition from low-growth vegetables into the high-growth world of cannabis and hemp remains promising. In the company's Q4 results yesterday, its Canadian cannabis joint venture achieved positive EBITDA of \$13.3 million with a solid gross margin of 69%. All-in cost of production clocked in at \$0.63 per gram.

"We are pleased to report another quarter in which Pure Sunfarms continued to set the standard for performance as a best-in-class cannabis operation, which again drove strong financial performance," said CEO Michael DeGiglio.

## Ya wanna have Yamana

Rounding out our list is gold producer **Yamana Gold**, which is up about 60% so far in 2019 and currently trades at a lowly price of \$3.47 per share.

Yamana's share price momentum continues to be supported by strong gold prices and solid production. In the most recent quarter, EPS of \$0.05 easily topped expectations, as gold equivalent output for the quarter totaled 238.6 thousand.

More importantly, free cash flow doubled to \$100 million, and management only expects things to get better.

"Our operations continued to show strong performance during the third quarter," said President and CEO Daniel. "We expect that to continue through the fourth quarter — historically our strongest — and beyond."

Yamana shares currently trade at a forward P/E of 25.

## 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.

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**Date**

2025/07/06

**Date Created**

2019/11/17

**Author**

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