3 Stocks Under $7 That I'd Buy Right Now

Description

If you're looking to maximize your portfolio's growth, do yourself a favour and forget about speculating on penny stocks. Many of them are not only uninvestable; they could be pump-and-dumps that could burn a massive hole in your wallet.

Instead, check out these promising small- and mid-cap stocks, which could deliver more upside than your run-of-the-mill blue-chips:

StorageVault Canada: $3.78

StorageVault Canada (TSXV:SVI) is quite possibly the best stock that's not on the TSX Index. Shares of the up-and-coming self-storage play broke out 55% over the past year thanks in part to an incredible quarter that saw self-storage store growth increase 7% as revenues rocketed 45% higher.

The Canadian self-storage market remains highly fragmented, leaving ample opportunity for StorageVault to pull the trigger on accretive acquisitions. While shares are relatively pricy at 10.9 times sales, the company's high growth ceiling, continued growth momentum, and strong secular tailwinds in the self-storage market more than justify the stock's premium multiple, I believe.

With the firm slated to repurchase 18.1 million common shares over the next year, it's clear that management sees immense value in its stocks at this juncture.

Corus Entertainment: $5.58

Unlike the red-hot StorageVault, **Corus Entertainment** (TSX:CJR.B) is a name that's suffered a massive fall from grace with the stock now down 79% from an all-time high that's very unlikely to be hit again. The company got caught on the wrong side of the secular cord-cutting trend, and investors who stuck around ended up getting hurt.

As someone wise once said, there exists a price where every stock, even the crummiest one, becomes a buy. And at $5 and change, I do believe Corus stock is finally a steal. Management has a plan to turn the ship around, and the company still generates a lot of free cash flow, even though its ugly stock chart suggests that the company is headed for imminent insolvency.

The stock trades at 1.3 times cash flow and 0.7 times sales. While Corus doesn't have a solution to combat cord-cutting, I do think the company can reward investors with a handsome dividend moving forward until it gets scooped up by a potential acquirer.

Stingray Group: $6.56

Stingray Group (TSX:RAY.A) stock has been completely battered over the last two years, with shares currently down over 40% from its all-time high.

For those unfamiliar with the name, it's a business-to-business (B2B) music and media company that's behind the audio TV channels that come free with your cable subscription and possibly the audio playlist in the elevator of your local shopping mall.

The company has a mere $376 million market cap, with nearly $5 million worth of insider buying activity over the past year. The old-school business still generates ample free cash flows and currently trades at a depressed multiple at 7.46 times next year's expected earnings and 1.6 times book.

The recent weakness in the stock looks severely exaggerated, so contrarians may want to initiate a position now while the stock trades at a dirt-cheap multiple.

CATEGORY

1. Investing

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1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:RAY.A (Stingray Group Inc.)
3. TSX:SVI (StorageVault Canada Inc.)

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