Turn $10K Into $23K With These 3 Ultra-Rare Stock Picks

### Description

Hi there, Fools. I'm back to call attention to three stocks at new 52-week lows. Why? Because the big gains in the stock market are made by buying attractive companies:

- during times of maximum investor pessimism; and
- when they're available at a clear discount to intrinsic value.

With the **S&P/TSX Composite Index** trading near record highs, the three stocks below are ultra-rare bargains for any portfolio. So, if you're looking to more double your money (or more) in 2020, this is a good place to start your search.



Let's get to it.

## Hexo marks the spot

Leading off our list is cannabis producer **HEXO** (TSX:HEXO)(NYSE:HEXO), which is down a whopping 70% over the past year and currently trades at 52-week lows of $1.62 per share.

Operational missteps, industry challenges, and liquidity concerns continue to weigh heavily on the stock. In the most recent quarter, EPS of -$0.24 missed estimates by $0.14 even as revenue jumped 154% to $14.5 million.

On the positive side, HEXO now trades at a cheapish price-to-sales ratio of 9.4. Moreover, management seems to be making plenty of progress in reducing costs.

"Cost control combined with our multi-brand approach, an updated strain mix, as well as the introduction of new products, will help us increase our market share and total revenue, leading us towards great results in 2020," said co-founder and CEO Sebastien St-Louis.

HEXO currently sports an extremely high beta of nearly 5.

## Terminal value

Next up, we have coal storage company **Westshore Terminals Investment** (TSX:WTE), whose shares are off about 24% over the past year and currently trade near 52-week lows of $16.40.

The stock has been pressured by coal volume concerns in recent months, but now might be a prime opportunity to pounce. In the most recent quarter, for example, profits improved to $40 million even as tonnage shipped volumes remained flat.

More important, the company still managed to generate operating cash flow of $64.8 million.

“Based on current information, 2019 throughput volumes are anticipated to be approximately 30.5 million tonnes, at rates higher than 2018 rates,” wrote the company.

Given Westshore’s paltry P/E ratio of 9.3 and healthy dividend yield of 3.4%, betting on that bullishness might make sense.

## Caught in the Web



Rounding out our list is hemp-based products specialist **Charlotte’s Web Holdings** (TSX:CWEB), which is down about 50% over the past year and currently trades at 52-week lows of $8.33 per share at writing.

Stagnating revenue, share dilution, and increased competition in the cannabidiol (CBD) market continue to pressure the stock. In the most recent quarter, for example, EPS of -$0.01 missed estimates by $0.05 while revenue of $25.05 million also failed to meet expectations.

On the bright side, the company’s position in the growing CBD market remains strong, providing long-term oriented Fools an interesting buying opportunity.

“In an increasingly crowded, noisy and confusing CBD market, brands matter, and Charlotte’s Web is the most trusted hemp extract in the world,” said CEO Deanie Elsner.

The stock currently trades at a price-to-sales of 9.7 at writing.

## The bottom line

There you have it, Fools: three ice-cold stocks worth checking out.

As always, don’t see them as formal recommendations. Instead, view them as a starting point for more research. Trying to catch a falling knife can be hazardous to your wealth, so plenty of homework is still required.

Fool on.

**CATEGORY**

1. Cannabis Stocks

**TICKERS GLOBAL**

1. NASDAQ:HEXO (HEXO Corp.)
2. TSX:CWEB (Charlotte's Web Holdings, Inc.)
3. TSX:HEXO (HEXO Corp.)
4. TSX:WTE (Westshore Terminals Investment Corporation)

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