



Buy the Dip: 3 TSX Stocks With High Returns Potential

Description

The following three discounted stocks have been displaying high price volatility and offer steep return potential over a short time frame. While this strategy may bring less reassurance than a Big Five banker or blue-chip utilities play, buying this trio of tickers on weakness could be worth the risk.

A low-exposure play on electric vehicles

Lithium Americas could reward with 75% total returns by the middle of the 20s. While it's priced about where it should be, a dip is always a possibility with this highly volatile stock. Lithium could be on the verge of breaking out, meaning that current capital gains predictions be on the conservative side.

Still, a potential 54% annual income growth could see Lithium Americas become a key momentum stock biased towards the upside [in the event of a lithium bull run](#). The stock is also good value for money relative to the Canadian metals and mining sector in terms of market fundamentals.

A “green economy” bargain, plus a cheap gold stock

A solid all-rounder for renewables operations in Latin America, **Polaris Infrastructure** ([TSX:PIF](#)) is a key stock that straddles both excellent value for money and high upside potential. For investors seeking out quality stocks that can tap the [high capital appreciation possibilities of a green energy boom](#), Polaris Infrastructure is potentially undervalued by as much as 70% with income forecast to grow by 174% annually.

With the chance of an 81% total return on investment by 2025, Polaris Infrastructure is a strong play for short-term wealth creation. As with Lithium Americas, this stock is let down somewhat by its balance sheet, with a high debt-to-equity ratio being of particular concern. Still, if your appetite for risk allows it, this stock could reward amply in a relatively tight timeframe, with a 5.6% dividend yield to boot.

Polaris Infrastructure is also a play on the high-growth area of green investing. Renewables are shaping up to be a major global trend, and with fossil fuels going out of fashion fast, the switch to

green power is driving upside in a rapidly disrupting energy market. Couple this with Lithium Americas and its access to the electric vehicle battery industry, and you have a mini “green economy” portfolio in the making.

Another stock with high share price volatility is gold miner **Dundee Precious Metals**. Currently undervalued by around 41%, Dundee Precious Metals could reward bold investors with a mixture of gold safety and capital gains in a short space of time. With around 60% earnings growth per year on the cards, this company could see investors with narrow financial horizons and a taste for risk clean up fast.

The bottom line

For a mix of gold upside and the growth prospects of the green economy, these three stocks could see high returns for investors looking to time the market for value opportunities. All three combine good value for money with a strong chance for high returns, with Polaris Infrastructure being an especially solid choice for both tasty dividends and defensive growth from the global green energy megatrend.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:PIF (Polaris Renewable Energy)

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1. Investing

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