



Day Traders: 3 Volatile Stocks That Could Make You Rich

Description

Day traders have been running circles around investment professionals this year. As institutional investors and hedge funds pulled back, day traders dove into the market crisis. The heightened volatility is a boon for anyone looking to make a quick bet on options or futures.

I believe the perfect day trading stock should be both volatile and high volume. In other words, there needs to be enough investors interested in the company to allow day traders to buy or sell easily. The price also needs to fluctuate violently to allow big bets with big rewards for courageous traders.

With that in mind, here are the top three best stocks for day traders in 2020:

Day trading space tech

Nascent but exciting sectors are ripe for day traders. Canada's most popular space tech firm **Maxar Technologies** ([TSX:MAXR](#))([NYSE:MAXR](#)), is an obvious candidate for this list.

Maxar's stock has a daily trading volume of 1.7 million shares, which means over a million shares are traded on any given day. The price of each share has traded as low as \$6 up to as high as \$21.45 over the past year. In just the last six months, Maxar stock has lost 35% of its value before doubling in price.

That sort of volatility makes Maxar stock an ideal candidate for option traders. A call option could be a low-risk, high-reward way to bet on a sudden surge in Maxar's market value. Plenty of my Fool colleagues certainly see potential for [remarkable gains](#) here.

Day trading gold

Day trading gold is, arguably, less speculative. The price of gold is driven simply by demand and supply. While supply is restrained and predictable, investors believe demand is correlated to market sentiment. In other words, the price goes up when people panic.

At the moment, there's certainly panic on the horizon. Investors are worried about stock market valuations, a potential second wave of coronavirus cases and the threat of inflation, potentially spiking

the value of gold.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) serves as an excellent proxy for this precious metal. Year-to-date, the stock price is up 45%. However, the price is as volatile as its underlying metal.

In fact, Barrick's debt burden accentuates the volatility. The company's stock price tends to rise more or fall further than the market price of gold. It's a supercharged gold proxy perfect for day traders.

Day trading startups

The price of **Facedrive** (TSX:FD) stock has quintupled since it was listed last year. The eco-friendly ride-sharing startup is a nascent player in a multi-billion dollar industry. The market for ride-sharing is already well established. By bringing something new to the table, Facedrive seems to have captured investor attention.

As the company is still in its early phases of development, investors can't rely on fundamentals to estimate value. Instead, day traders need to price the stock based on future expectations of growth.

That makes Facedrive incredibly volatile. In fact, it lost nearly half (46%) of its value between February and March this year. Now, the market capitalization is \$890 million.

That's a fraction of other ride-sharing firms across the world. While Facedrive could be a multi-bagger over time, it's an ideal day trading stock for 2020.

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TICKERS GLOBAL

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2. NYSE:MAXR (Maxar Technologies)
3. TSX:ABX (Barrick Mining)
4. TSXV:STER (Facedrive Inc.)

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