



3 TSX Stocks Under \$5 That Could Double Your Money

Description

One good thing about the recent broad market weakness is it has created many rewarding opportunities for investors. Though markets have remarkably recovered in the last three months, some **TSX** stocks are still trading below their fair values.

Let's take a look at stocks that are trading below \$5 and offer handsome upside potential. Investors should note that low stock prices do not necessarily mean they are cheap from the valuation standpoint.

Corus Entertainment

Corus Entertainment ([TSX:CJR.B](#)) stock fell to its all-time lows in March but has been recovering gradually from there. It is currently trading at \$3.5, still 50% lower to its pre-pandemic levels.

Corus is a \$750 million media and content company that has seen its share price crater over the last few years. While the company has seen consistent revenue growth in the last five years, it could not quite translate it into profits. Its balance sheet also looks bloated, which might also bother investors.

Interestingly, Corus's extensive presence in attractive markets is its huge plus point. Its portfolio of television services includes 34 specialty channels and 39 radio stations. Its content is sold in more than 16 countries.

As the fear and uncertainties related to the pandemic gradually wane, companies would increase their advertising and marketing spending, which could be a big positive for Corus.

Corus stock is trading at a forward price-to-earnings multiple of five times, notably cheap compared to its historical average. It offers a juicy dividend yield of 6.7%, notably higher than TSX stocks at large.

SEMAFO

SEMAFO (TSX:SMF) is a \$1.5 billion Canadian gold miner that operates six mines in West Africa. The

stock is currently trading at \$4.6 and has seen its stock price surge more than 60% so far this year.

Higher realized gold prices notably boosted its earnings in the last four quarters. Interestingly, analysts expect the trend to continue for the next few quarters on the back of the bullish outlook for gold.

SEMAFO aims for the production of over one million ounces on average through 2022. Its cost is expected to fall over this period, which indicates a potential for strong positive cash flow.

On the valuation front, SMF stock is currently trading at a forward price-to-earnings valuation of 12 times, notably cheap compared to peers. Given the discounted valuation, higher yellow metal prices might continue to push the SMF stock further higher.

Husky Energy

Husky Energy (TSX:HSE), one of the country's biggest energy companies, has had an unpleasant year so far. The stock has plunged more than 55% year to date and trades at \$4.5 apiece at the moment.

Crude oil has had a rough ride in April, as demand plunged on the back of shutdowns while producers kept filling up the storage tanks. Husky Energy trimmed its dividends by 90% and reported losses of more than \$600 million in the last quarter.

But importantly, the integrated energy company looks well placed on the liquidity front and will likely weather the crisis. As oil prices have recovered subsequently, TSX energy stock Husky has almost doubled in the last three months.

Many market participants and top banks [turned bullish](#) on crude oil, as major economies re-open and could see an increase in demand. This might also boost energy company stocks like Husky Energy in the short to medium term.

Investors should note that these TSX stocks offer [higher growth potential](#) but also pose a higher risk. Investors who can bear excessive volatility may consider these names.

CATEGORY

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2. Energy Stocks
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TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)

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