2 Cheap Stocks That Could Rise 100% This Summer

### Description

The coronavirus crash created a ton of buying opportunities. While the rebound erased many of those options, there are still dirt-cheap stocks worth buying that could rise more than 100% over the next few months.

Of course, massive upside comes with some added risk. But the two picks below look outrageously priced given the potential upside in the second half of 2020.



## Bet on the best

Remember in 2018 when the market was going gangbusters for pot stocks? Those days are long gone.

In 2019, the industry entered its first bear market. Every marijuana exchange-traded fund (ETF) was down by at least 50%. Some companies nearly went bankrupt. The COVID-19 pandemic didn't provide much relief. Several cheap pot stocks have gotten even cheaper.

But here's the thing: pot demand continues to *grow*. Long term, this market is expected to expand by a factor of 10 or more. This is your chance to buy high-growth stocks at bargain prices.

My favourite marijuana producer is **Cronos Group Inc**. This is a cheap stock, with more than half of the market cap consisting of cash on the balance sheet! Plus, it looks capable of overcoming the industry's biggest weakness: commoditization.

At the end of the day, marijuana isn't much different than tomatoes or potatoes. There's little differentiation between products, and pricing is a race to the bottom.

Some companies will overcome this trap through clever branding. **Altria Group** did this with cigarettes. Tobacco is largely commoditized, yet the firm commands a 50% market share in the U.S. with sky-high margins thanks to renowned brands like Marlboro.

Last year, Altria purchased a 45% in Cronos, forming an exclusive partnership. Cronos will be able to learn how to brand from the best. Once the pot industry regains steam, expect this stock to lead the market.

## This cheap stock is rising

**Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS) is another company hit by the coronavirus, even though its long-term growth potential is lucrative. If we get some good news this summer, there should be a clear chance to double your money.

Before the pandemic, GOOS stock traded as high as $90. Today, it's valued at just $30. The valuation formerly ranged between 100 and 150 times earnings. Now, that figure is closer to 30 times earnings.

This is clearly a cheap stock, but is it worth buying?

Canada Goose is one of the most valuable luxury brands on the planet. It has decades of history backing its $1,000 jackets, which were designed for scientists in Antarctica. More than 5% of Canadians own a piece of Canada Goose gear, but the upside was always international.

In 2019, Canadian sales grew by roughly 25%. International sales, however, spiked by 60%. The most lucrative opportunity was in China, where the company had just begun to scale despite this being the largest luxury market in the world.



The pandemic-pressured retail sales immensely, especially for luxury products. That's why this growth stock became a cheap stock. The company's competitive advantages, however, will endure much longer than the current crisis.

If we get positive coronavirus-related data points out of major luxury markets like China, expect a rapid rebound in share price.

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**Date**
2025/06/29
**Date Created**
2020/07/05
**Author**
rvanzo