



3 Under-\$20 Stocks to Buy Now for Explosive Growth

Description

I have stressed the fact that [you don't need a lot of cash to start investing](#). Even a small but regular investment in stocks with high-growth potential can help you build decent capital in the long run. So, if you're new to the stock market and plan to start investing with smaller dollar amount stocks, consider buying these TSX stocks trading under \$20.

These companies have strong fundamentals, performed well in the past, and have the catalysts that could drive their stocks higher.

Kinross Gold

At \$11.34, **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) stock is a steal. The yellow metal has seen a steep rise in its value, which has benefitted Kinross Gold significantly. Its stock has surged over 84% this year. Moreover, it has returned nearly 383% in five years.

Weak economic indicators, fear of recession, and rising coronavirus cases could continue to support gold prices and drive Kinross Gold. Its Tasiast mine continues to deliver record production and throughput rates, which is encouraging.

Meanwhile, the company has [strong liquidity](#) of \$1.9 billion, no near-term debt maturities, and a low net-debt-to-EBITDA ratio of 0.9.

A higher average realized gold price should help the company to report strong margins and earnings. The favourable industry trend should continue to drive its stock higher. Also, the addition of Kinross Gold in your portfolio should help protect the downside risk amid large market swings.

Algonquin Power & Utilities

With a current market price of \$18.07, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is among the top TSX stocks to buy under \$20. The company has performed pretty well over the past

several years and has boosted investors' returns through consistent dividend growth.

Its stock has doubled in five years and has the potential to generate even higher returns in the future. Its diversified utility assets and renewables business continue to generate strong and growing cash flows.

While investors could benefit from capital appreciation, its consistently growing dividends should further boost the returns. Algonquin raised its dividends in the past 10 consecutive years and could continue to do so over the next decade, thanks to its predictable and growing distributable cash flows.

It currently pays a quarterly dividend of US\$0.16 per share, which translates into an annualized yield of juicy 4.8%.

Absolute Software

Shares of **Absolute Software** (TSX:ABT) have risen over 76% this year, and the uptrend in its stock is likely to continue in the coming quarter. Consistent demand for its software and services is driving its stock.

The company provides security software for computing devices and data. As a growing number of people transition to working from home and distance learning, the demand for security software should continue to increase.

Further, rising cyber attacks and data breaches act as a significant tailwind for the company. Thanks to the sustained demand, Absolute Software's annual contract value has grown consistently. Meanwhile, lower direct competition further supports growth.

Its stock is trading cheap (compared to the industry average) on the valuation front and, at \$15, is a solid buy for the long term.

Bottom line

Despite their smaller dollar amount, these under-\$20 TSX stocks have strong growth potential and should be a part of your portfolio to generate explosive growth.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:ABST (Absolute Software)
4. TSX:AQN (Algonquin Power & Utilities Corp.)

5. TSX:K (Kinross Gold Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks
4. Tech Stocks

Date

2025/08/25

Date Created

2020/07/23

Author

snahata

default watermark

default watermark