Got $2,000: Invest in These 2 Cheap TSX Stocks to Double Your Money

Description

The Canadian financial markets have recovered strongly from their March lows. However, some of the stocks are still struggling and are trading at attractive valuations. So, if you have the appetite for risk-taking and can stay invested for extended periods, I believe these two stocks could deliver huge profits.

BlackBerry

When the majority of the tech companies have delivered excellent returns this year, **BlackBerry** (TSX:BB)(NYSE:BB) is struggling with its stock, trading over 24% lower. The company's significant exposure to the automotive industry impacted its financials in its recently completed first quarter.

Its adjusted revenue declined by 19.9% on a year-over-year basis. The global auto production shutdowns and project delays amid the pandemic had dragged the company's revenue down. However, with the reopening of the economies, the auto sector is beginning to recover.

The company also provides cybersecurity solutions for companies across various sectors. With the rise in the number of employees working from their homes, the demand for data safety and privacy solutions has increased, which could benefit BlackBerry.

At the end of its first quarter, the company's cash, cash equivalents, and investments stood at US$955 million. Further, the company's management expects its free cash flow to be positive for this fiscal year. So, the company's liquidity position looks secure. Given its attractive valuation, strong balance sheet, and growth prospects, I believe investors with a long-term horizon should buy the stock for higher gains.

Canopy Growth

My second pick is a cannabis company **Canopy Growth** (TSX:WEED)(NYSE:CGC), which has lost over 20% of its stock value this year. Although the cannabis sector is facing structural issues, the company had outperformed analysts' sales expectations in its recently reported first-quarter results.

Its revenues came in at $110.4 million against analysts' expectations of $93.5 million. The growth in medical sales offset the decline in recreational sales to drive the company's revenue. The increased competition and the temporary closure of retail stores due to the pandemic dragged the company's recreational sales down.

However, Canopy Growth has re-positioned its value brand Tweed dried flower with higher and more consistent THC ranges and is working on expanding its Cannabis 2.0 offerings in Canada to drive its recreational sales. In the United States, the company has increased its online presence by launching an e-commerce site, which sells all brands of CBD products from Canopy growth.

The company has also scaled up the distribution of its S&B vaporizer and BioSteel RTD non-CBD beverages to some of the key markets in the United States. All these initiatives could drive the company's top line.

Meanwhile, its adjusted EBITDA is still in negative territory, which is a cause of concern. The company is working on lowering its expenditures. Year to date, the company has reduced its headcount by 18%. Further, it has optimized its production by closing two of its facilities in British Columbia and one indoor facility in Saskatchewan. Along with these cost-cutting initiatives, the growth in higher-margin Cannabis 2.0 product sales could aid the company in attaining profitability.

Moreover, in its first quarter, the company reduced its cash burn by 50% to $180.1 million. At the end of the quarter, the company's gross cash stood at $2 billion. So, given its strong growth potential, improving margins, and strong balance sheet, I believe Canopy Growth's stock could double over the next three years.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:WEED (Canopy Growth)

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Date
2025/08/26
Date Created
2020/08/25
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