



3 Stocks Under \$20 Offering Explosive Potential Gains

Description

I often remind investors that you don't require a lot of cash to build wealth. Even a small and regular investment in good quality stocks can go a long way. So, if you're looking to participate in the stock market with a small amount, consider buying the shares of these high-growth stocks trading under \$20.

Kinross Gold

Kinross Gold's ([TSX:K](#))([NYSE:KGC](#)) growing low-cost production and favourable outlook for the yellow metal provides a solid base for outsized growth in its stock over the next couple of years. Besides, Kinross Gold reinstated its dividends after seven years, which is encouraging.

Recently, Kinross Gold [said that it expects](#) a 20% growth in production to 2.9 million gold equivalent ounces by 2023. While the production is expected to grow steadily over the next three years, Kinross Gold projects cost to come down. The company said that it expects the production cost of sales and capex to decline, which in turn is likely to give a significant boost to its margins and free cash flows.

Higher production and a downward trend in costs are likely to drive margins at a higher rate than the growth in the gold price and support the uptrend in its stock. Meanwhile, investors are likely to benefit from the company's quarterly dividend of US\$0.03.

Kinross Gold's recession-resistant business and [attractive valuation](#) coupled with decent dividend yield, make it a top stock for high growth and stability. Shares of Kinross Gold have more than doubled year to date and have ample room for further growth.

Absolute Software

With its shares up over 68% year to date, **Absolute Software** (TSX:ABT) has proven the resiliency of its business. Absolute Software stock dodged the COVID-19 led selloff and the uptrend in its stock is likely to sustain in the coming years, thanks to the favourable industry outlook and a large addressable market.

The company's endpoint security software has witnessed a surge in demand amid the pandemic as the increased number of people shifted to work and learn remotely. Investors should note that growing spending on cybersecurity would continue to boost demand for Absolute Software's products and services even in the post-pandemic phase.

Absolute Software's 13,000+ customers (including largest banks, national governments, and Fortune 500 companies), high recurring revenues, lower competitive activity, and zero-debt balance sheet bodes well for future growth.

Apart from offering high growth, Absolute Software also offers a quarterly dividend of \$0.08, which translates into an annual yield of 2.2%.

AltaGas

Shares of **AltaGas** ([TSX:ALA](#)) are another top investment option for investors looking for stability, growth and income. AltaGas derives most of its revenues from the rate-regulated utility assets, which ensures predictable cash flows and supports its payouts. Meanwhile, its midstream operations offer high growth, thanks to the higher utilization rate and increase in export volumes.

AltaGas pays a monthly dividend of \$0.08, implying an annual yield of 5.7% based on the current stock price level. Its utility rate base is projected to increase at a high-single-digit rate in the coming years, suggesting that investors could expect sustained growth in dividends.

The Ridley Island Propane Export Terminal has given a significant boost to AltaGas' midstream operations, and the company expects strong volumes and high utilization rate in 2020. AltaGas has crossed an inflection point, and long-term investors are likely to gain big from this under \$20 stock.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:ABST (Absolute Software)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:K (Kinross Gold Corporation)

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