



4 TSX Stocks to Buy Under \$5

Description

Over the past year, markets have provided investors excellent returns. Different sectors have rallied at different times and, in many cases, by significant amounts, which made many investors a lot of money in 2020. And while the broader market may not offer the same kind of growth potential this year, there are still several **TSX** stocks with attractive growth prospects.

Often, some of the best stocks with the most growth potential are those low-market-cap stocks with a small stock price. Investors love to buy these small-cap stocks because, as long as they are high quality, they offer tremendous potential to double an investment or more.

Whether they are tech stocks that could grow rapidly with scale or commodities producers with leverage to their underlying commodities, these four TSX stocks are some of the cheapest on the market.

Drone delivery tech stock

First off, one of the top stocks to consider for 2021 and beyond is **Drone Delivery Canada** ([TSXV:FLT](#)). Drone Delivery offers investors tremendous potential for years, which is why it's such a great investment. Plus, investors can invest in the TSX stock while it's still dirt cheap.

The company has a market cap of roughly \$225 million and trades at just over \$1 a share. This is incredible value, especially for a [growth stock](#) with such long-term potential.

The four analysts that cover it have an average price target of \$1.50. That's a pretty attractive return of almost 50% in one year. Plus, the target prices have been reduced severely since the pandemic. A year ago, the highest target price was \$3, and the average was more than \$2.

The estimates have been lowered primarily due to increased risk in markets. FLT is still in the early stages, making it a great stock for potential returns but also one with significant risk.

As we emerge from the pandemic, and more investors are willing to buy early-stage stocks like FLT,

look for not only price targets to rise but for the share price to follow.

Sports media and gambling stock

Another high-potential tech stock to consider is **Score Media and Gaming** (TSX:SCR). Score has been on a tear the last few months but still offers incredible long-term potential.

All of the potential lies in the long-term growth expectations of its sports betting business. However, what sets Score apart from a number of its competitors is the massive userbase on its sports media app.

This should give it a significant advantage over its competitors as it builds its business. Plus, with the company now weighing the possibility of listing on a U.S. exchange, there could be several catalysts for share price growth over the next 12 months.

TSX energy stock

You should also consider adding an [energy stock](#) or two to your portfolio. There are numerous high-quality energy stocks to buy in 2021, but **Peyto Exploration and Development** ([TSX:PEY](#)) is one of the absolute best.

Peyto is an extremely low-cost natural gas producer. This is attractive for several reasons. Natural gas is an essential commodity that's a lot cleaner than oil. And with Peyto being one of the lowest-cost producers in the business, it ensures the company should always be able to survive even the worst commodity shocks.

Energy stocks have been hammered since the start of the pandemic. But with the end of the pandemic insight and the corresponding recovery of the energy sector, Peyto offers some of the best growth potential of any TSX stock.

TSX gold stock

Lastly, another great option is gold stocks. These stocks can be highly defensive and are great to help protect the capital in your portfolio. Gold stocks have been sold off lately, but with more stimulus expected and a continuation of accommodative monetary policy, I see this pullback as a buying opportunity.

Gold still has a tonne of growth potential over the next few years. So, investors may want to consider a high-quality TSX gold stock such as **Roxgold**.

Roxgold offers investors the perfect combination of safety and growth potential. Plus, it would complement any stocks investors are buying to play the recovery, such as the three listed above it.

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1. Editor's Choice

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