



3 Cheap TSX Stocks That Could Increase by 100% in 2021

Description

Finding cheap stocks isn't very difficult, but finding the undervalued gems that can grow quite rapidly in 2021 — that's the challenge. Another problem is that most undervalued stocks right now are the ones that couldn't recover fast enough. And if they didn't recover with the rest of the market, they might increase by 100% in 2021 only in some specific circumstances.

Some stocks are suffering along with their sector as well. They might find it even difficult to double in valuation within the year, unless the whole sector starts recovering rapidly.

A real estate stock

Allied Properties (TSX:UN) has been growing its dividends for eight years. It is currently offering a decent yield of 4.4%, and it was one of the most consistently [growing REITs](#) in the industry before the crash. Ever since the crash, the stock price has been shaky. It's still trading at a 36% discount, with a price-to-earnings ratio of 6.81 and a price-to-book ratio of 0.79.

As an aristocrat with a solid dividend history, a safe payout ratio, and a history of offering decent capital growth to its investors, it's unlikely that the stock would stay down for a long time. If it starts to climb towards its pre-pandemic position and goes a little overboard, you can expect a 100% increase from this affordable stock.

An aerospace company

The airline business might still be in trouble, but that's just one segment of **Magellan Aerospace** ([TSX:MAL](#)) target market. [The company](#) also builds complex assemblies and provides system solutions for fighter jets and spacecraft. If the company manages to win a sizeable contract in any of those market segments or the airline industry gets revived with a boom, it can be huge for Magellan stock.

The company is currently trading at an almost 30% discount, at a price to earnings of 16.5 and a price to book of just 0.7 times. It's discounted, relatively undervalued, and comes with a decent 4.5% yield.

And if it delivers on the 100% increase speculation, it can be a powerful stock in your portfolio.

A gold stock

That's a relatively easy prediction, which is tied to a grim one. If the market crashes, gold stocks like **B2Gold** ([TSX:BTO](#))(NYSE:BTG) can easily increase by 100% within 2021. After the last crash, the stock climbed almost 150% within five months, but to achieve optimal results, you will need to buy once the stock has hit rock bottom.

The share price has come down quite a bit from its post-pandemic peak, and it's currently trading at a price-to-earnings ratio of 7.8 and price-to-book ratio of two times. 2020 was a smashing success for the company's financials, and it has a solid balance sheet.

Foolish takeaway

If you believe that a market crash is imminent in 2021, then the number of stocks that might increase by 100% would grow substantially. And if you believe the economy is going strong and the market won't crash anytime soon, you need to hunt down the hidden, undervalued gems that got ignored in the recovery rally.

CATEGORY

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

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
3. TSX:BTO (B2Gold Corp.)

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