



4 Top Canadian Stocks to Buy Under \$10

Description

Despite the concerns over rising COVID-19 cases worldwide, Canadian equity markets continue to be strong, with the **S&P/TSX Composite Index** rising 8.9% this year. On Wednesday, Statistics Canada announced that Canada's GDP grew 0.7% in January, while preliminary estimates for February were at 0.5%, representing the 10th straight month of economic expansion. Along with this announcement, Biden's infrastructure proposal continues to drive the Canadian equity markets. Amid increased investors' confidence, here are the four Canadian stocks you can buy below \$10 to earn superior returns.

WELL Health

Supported by its aggressive acquisition strategy and increased demand for telehealthcare services, **WELL Health Technologies** ([TSX:WELL](#)) has returned over 370% in the last 15 months. In its recently [announced fourth quarter](#), its top line grew 75%, while its gross margins improved 10% to 46.5%. The company posted positive adjusted EBITDA for the first time in history. Its accretive acquisitions drove its adjusted EBITDA.

However, the recent selloff in tech stocks has dragged WELL Health's stock down by 25% from its 52-week high, [offering an excellent buying opportunity](#). The company's proposed acquisition of CRH Medical and Intrahealth Systems could significantly boost its financials. In its fourth quarter, CRH Medical had generated revenue of US\$36.8 million, with an adjusted EBITDA margin of over 40%. Further, the company's strong pipeline of acquisitions bodes well with its growth prospects.

HEXO

Despite its impressive second-quarter performance, **Hexo** ([TSX:HEXO](#))(NYSE:HEXO) trades over 42% lower from its 52-week high. The selloff in cannabis stocks amid fears of speculative trading and increased net losses have dragged the company's stock price down.

Meanwhile, I believe the pullback offers an excellent buying opportunity. HEXO has acquired a

significant market share in the cannabis-infused beverage segment, which offers high-growth potential. It is also focusing on strengthening its distribution network to make its products readily available across Canada.

Further, its proposed acquisition of Zenabis Global could make HEXO a significant player in the Canadian recreational market and save around \$20 million in synergies. The company is also looking to partner with major CPG players to launch edible products, expanding its market share in the growing U.S. cannabis market. Also, the company's adjusted EBITDA turned positive in its second quarter, which is encouraging.

Kinross Gold

Amid the decline in gold prices, **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) has lost over 35% of its stock value from its highs. The decline in its stock price has dragged its valuation into an attractive territory, with its price-to-book and forward price-to-earnings multiples standing at 1.3 and 9.8, respectively.

Meanwhile, Kinross Gold's management expects its production to grow by 20% over the next three years, while its production cost could fall due to increased production from its low-cost mines. Higher production and lower cost could drive the company's margins and stock price in the coming quarters. The company also rewards its investors with quarterly dividends of \$0.03 per share, with its forward dividend yield standing at 1.4%.

Goodfood Market

Goodfood Market ([TSX:FOOD](#)), which had delivered incredible returns of over 350% in the last two years, is under pressure this year, with its stock trading 28.5% lower. The expectation of life and businesses returning to pre-pandemic ways amid the ongoing vaccination drive appears to have dragged the company's stock price down.

However, I believe the demand for the company's services could sustain, given the secular shift towards online shopping and its large customer base. Further, the introduction of same-day delivery service, penetration into newer territory, expanded product offerings, and increased production capacity augur well with its growth. So, investors could utilize this pullback to accumulate the stock to earn superior returns.

CATEGORY

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

TICKERS GLOBAL

1. NASDAQ:HEXO (HEXO Corp.)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:FOOD (Goodfood Market)

4. TSX:HEXO (HEXO Corp.)
5. TSX:K (Kinross Gold Corporation)
6. TSX:WELL (WELL Health Technologies Corp.)

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