



1 of the Best TSX Stocks Under \$1 to Buy Right Now

Description

There aren't that many truly [wonderful](#) businesses whose TSX stock is priced at under \$1. Far too many investors are chasing low-dollar-cost stocks, which may be more of a fast ticket to quick losses rather than big riches.

In short, the low price of a stock is meaningless, unless you've only got a small amount of capital to put to work. With the advent of commission-free trading and partial shares, though, the case for owning low-dollar amount securities or penny stocks is as fickle as ever. For investors seeking life-changing upside, it's the market cap that one has to look at. Anything under \$50 million, I believe, is far too risky to put your hard-earned investment dollars in.

In this piece, we'll have a look at one \$250 million company that trades at a hair shy of the \$1 mark. Unlike most other small-cap TSX stocks under \$1, the following name, I believe, isn't an all-or-nothing proposition with an options-like risk/reward.

Fire & Flower: One of the best TSX stocks under \$1

Enter **Fire & Flower Holdings** ([TSX:FAF](#)), an up-and-coming cannabis retailer that's been making major strides in recent years. Now, as you may have noticed, the world of cannabis retail has become absurdly crowded in the years following nationwide legalization.

You've probably seen head shops popping up on every block in your city. The arena is crowded, and it can be tough to sustain a durable competitive advantage, especially when you consider that most pot shops are drawing so heavily on that experiential factor to win over younger consumers, like millennials, who value experiences above all else.

These days, almost any pot shop you'll step into will have viewing areas or even cannabis samples to get a whiff before you buy. Many of them are fully equipped with technology (think **Apple** iPads) and Apple-like staff who are more than willing to give you all the details on the hottest new pot strains, vapes, or oils.

Indeed, cannabis retail has come a long way, but what separates Fire & Flower from the pack? It's dance partner in convenience store kingpin **Alimentation Couche-Tard** (TSX:ATD.B), a seasoned veteran with managers who know the ins and outs of convenience retail and drawing upon the experiential factor.

Couche-Tard owns a growing stake in the budding Fire & Flower, with a strategic partnership that looks to be quite successful thus far. It's clear that Couche-Tard really wants to sell cannabis at its stores, but it doesn't appear that the federal government is budging, at least not yet. Regardless, Couche isn't going to wait around for the government to ease cannabis retail guidelines. It's dipping its toe into the cannabis waters now, and the endeavour could really pay off if ever the federal government was to allow cannabis to be sold in a similar way that cigarettes are at the local Circle K.

I suspect that Fire & Flower will be gobbled up by Couche-Tard at some point down the road. And while I'm not a fan of playing acquisition roulette, I think investors are getting a handsome risk/reward with shares at just shy of \$1. Fire & Flower has a magnificent digital platform in Hifyre, and its Spark Perks loyalty program, which recently hit the 250,000-member milestone, is yet another program that separates Fire & Flower from the rest of the cannabis retail pack.

Foolish takeaway

With shares trading at 2.4 times sales, I think investors are getting a lot of [bang](#) for their buck. I think Fire & Flower is the best low-dollar cost stock on the entire **TSX Index**. As such, small-cap growth investors would be wise to scale into a position over time.

CATEGORY

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1. TSX:FAF (Fire & Flower)

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