3 of the Top TSX Stocks to Buy Under $10 Today!

Description

While most new investors think you need a significant amount of capital to start investing in the equity markets, you can look to buy lower-priced stocks that have strong fundamentals. Investing in the stock market carries certain risks. You need to identify companies that have the potential to consistently beat the broader markets and deliver outsized returns over the long term.

I have selected three such stocks that are trading below $10 on the TSX but are poised to outpace peers in 2021 and beyond.

WELL Health

The first stock on my list is **WELL Health Technologies** (TSX:WELL). This telehealth company is up close to 7,000% since its IPO five years back. However, it's also trading 26% below its record high, giving investors an opportunity to buy a quality growth stock at a lower multiple.

WELL Health is valued at a market cap of $1.33 billion. The company aims to digitize and modernize the Canadian primary healthcare system. It continues to grow via accretive acquisitions, and analysts expect WELL Health to increase sales by a whopping 367% to $235 million in 2021.

This means WELL Health stock is trading at a forward price-to-sales multiple of less than six, which is not too steep for a company growing its top line at a rapid clip. Analysts have a 12-month average price target of $11.35 on WELL stock, which is 65% above its current trading price.

Kinross Gold

Kinross Gold (TSX:K)(NYSE:KGC) stock is trading at $9.73 and is down 26% from its 52-week highs. The recent decline in gold prices has sent the mining stock lower, and Kinross has underperformed the market in the last year.

However, the Federal Reserve aims to keep interest rates low through 2023 and continues its monthly bond-buying program. Further, governments all over the world are pumping trillions of dollars into the economy as part of benefit programs. This is good news for physical gold, which is viewed as a store of value.

The company's focus on cost management and capital spending allowed it to capitalize on strong gold prices last year, and it delivered over $1 billion in free cash flow. In 2020, its three largest mines accounted for 60% of its total production and were also the lowest-cost mines in the portfolio. Kinross's strong operating performance allowed it to enter the year with $1.2 billion in cash.

Cronos Group

The final stock on the list is cannabis heavyweight **Cronos Group** (TSX:CRON)(NASDAQ:CRON). The stock is trading at $8.94, which means it's down 70% from record highs. In Q1 of 2021, it reported revenue of $12.6 million, which was an increase of 50% compared to the prior-year period. However, it was below analyst revenue estimates of $16.5 million.

Cronos also reported a net loss of $161.6 million, or $0.44 per share, while analysts expect the company to post a net loss of $0.08 per share. Its adjusted EBITDA loss of $37.1 million was similar to the prior-year period.

The cannabis giant is looking to launch edible products in the Canadian adult-use market soon. The company's Lord Jones brand expanded its product line and launched a major marketing campaign in U.S. markets that should positively impact demand in the near term. Further, the prospect of cannabis legalization south of the border will be a key driver of revenue growth for Cronos in the upcoming decade.

CATEGORY

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

TICKERS GLOBAL

1. NASDAQ:CRON (Cronos Group)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:CRON (Cronos Group)
4. TSX:K (Kinross Gold Corporation)
5. TSX:WELL (WELL Health Technologies Corp.)

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Date
2025/08/14
Date Created
2021/05/19
Author
araghunath