The 4 Best Stocks You Can Buy for Less Than $10 a Share

Description

Long-term investors care more about the value of a stock and make purchase decisions based on whether a stock is undervalued or fairly valued with great prospects. The share price doesn't form a crucial variable in the equation. Still, if you wish to buy stocks that are trading at a relatively lower price — i.e., in single digits — there are four that should be on your radar.

A high-yield stock

Rogers Sugar (TSX:RSI) is a stock with a low price tag and a relatively high 6.3% dividend yield. Rogers is Canada's largest refined sugar and maple syrup distributor in the country. It wouldn't be a stretch to say that the company is woven into the fabric of the country's food industry. Rogers has a strong balance sheet, and its financials, though a bit cyclical in nature, are moving in the right direction.

The share price history of the company is shaky, and expecting the company to reward you with capital growth as well as dividends (even in the long run) might be too presumptuous. The dividend seems rock solid, though. The payout ratio is a bit high, but the company has sustained its dividend through the worst. Rogers is currently trading at $5.7 per share.

A senior-housing company

Extendicare (TSX:EXE) is a Markham-based company with a market capitalization of $722 million. The company has been operating senior residences and nursing homes for over half a century. It has four different types of facilities under its banner (each with its own brand). That includes 58 long-term-care centres, 35 home healthcare centres, 10 retirement communities, and 58 senior-care homes. It also has a group purchasing brand to its name.

The company grew its share price by 35.8% in the last 12 months, and it's currently trading at $8 per share. But a more compelling reason to consider this stock is its almost 6% yield. Extendicare is expected to see its business steadily grow, as the number of retirees is expected to grow at an expedited rate.

A construction company

Bird Construction (TSX:BDT) is an Ontario-based company that has been operating for over a century. It has recently merged with Calgary-based Stuart Olsen, making its operation and "reach" significantly more extensive. The company is currently trading at $9.7 per share, and it's the result of relatively unsteady growth of 66% in the last 12 months.

The company provides construction services mostly to commercial clients. Its residential projects focus on multifamily residential, not detached homes. It saw its revenues dip quite significantly in 2020, but it has recovered from that slump. The company offers modest capital growth potential — a yield of 3.9%.

A gold royalty company

If you are looking for growth, **Maverix Metals** (TSX:MMX), an emerging gold streaming and royalty company that's currently trading at $7.3 per share, might be worth considering. It returned almost 155% in the last three years and has a three-year CAGR of 37%; unlike gold mining companies that have a difficult time maintaining their growth momentum when the economy and stock market are recovery, royalty and streaming companies tend to fare relatively well.

Maverix is Vancouver-based, slightly overvalued, and has rock-solid financials. Its balance sheet is strong, it has almost no debt, and the income is growing at a solid pace. It also pays a dividend, but its 0.66% yield easily gets overshadowed by its capital growth prospects.

Foolish takeaway

The four stocks you can buy for $10 offer you both decent yields and modest growth potential. Combined, the four companies are also well diversified. Almost all of them have relatively strong positions in their respective industry and little to no significant competition that can put them out of business anytime soon.

CATEGORY

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

TICKERS GLOBAL

1. TSX:BDT (Bird Construction Inc.)
2. TSX:EXE (Extendicare Inc.)
3. TSX:RSI (Rogers Sugar Inc.)

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