



3 Cheap Stocks Under \$50 That Could Double by Next Year

Description

Cheap stocks have lower barriers to entry and more room to run. A small-cap company with a unique product in a massive market could be the ultimate wealth creator. With that in mind, here are the top three [cheap stocks](#) trading under \$50 that could *double by 2022*.

Cheap stock #1

WELL Health Technologies ([TSX:WELL](#)) has been one of my favourite cheap stocks over the past year. The company was worth just over \$100 million when the pandemic erupted. Now, it's worth \$1.5 billion. It's still got plenty of room to run further.

WELL Health is a software consolidator, which means it raises cheap capital to acquire small- and medium-sized companies to expand its top line. Acquisitions over the past year have helped the company enter the United States and launch a virtual healthcare clinic. This year, the company acquired MyHealth to become the largest network of private clinics in Canada.

The company has enough dry powder to fuel future acquisitions. It's debt-to-equity ratio is a mere 10%, which means it has room to borrow more. Meanwhile, the company's largest investor, Li Ka-Shing, still has a massive stake and could fund future deals.

WELL Health stock is currently trading at \$8 and could climb to \$16 or more by next year if it can sustain its current pace of acquisitions.

Cheap stock #2

Hut 8 Mining (TSXV:HUT)([NASDAQ:HUT](#)) has already quintupled over the past year. That means another 100% gain cannot be ruled out.

Hut 8's fortune is linked to the value of Bitcoin. A new valuation model, known as the stock to flow, suggests Bitcoin could surge up to US\$100,000 by the end of this year. That's more than double its current value. A sudden surge like that could ignite Hut 8 stock, too.

Hut 8 has also recently listed on the NASDAQ. This dual listing gives it access to the deepest pool of capital in the world. The company could raise funds from global tech investors through this listing.

Meanwhile, China's clamp down on domestic mining companies effectively eliminates Hut 8's competition. A culmination of these factors could push Hut 8 stock beyond \$10 by next year, if not earlier.

Cheap stock #3

Canada Goose ([TSX:GOOS](#))([NYSE:GOOS](#)) is trading *just under* \$50 a share. It's still cheap, but not for long. The team is rapidly executing its growth strategy by broadening its product mix and expanding into China.

Chinese consumers account for roughly a third of global luxury demand. That means expanding outlets in China is critical for Canada's Goose's growth. In 2021, the company expects to double the number of storefronts it operates in the country.

Meanwhile, it's also adding new, lighter coats to its collection. These products should be more appealing in regions that have milder winters. Altogether, these growth initiatives should help Canada Goose double its net income relatively shortly. This could well be a \$100 stock soon.

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2. TSX:GOOS (Canada Goose)
3. TSX:HUT (Hut 8 Mining)
4. TSX:WELL (WELL Health Technologies Corp.)

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