



2 Low-Priced Stocks Could Double a \$5,000 Investment

Description

Investors' confidence, both local and foreign, in the **S&P/TSX Composite Index** is very high in 2021. Canada's primary stock index could end the year with a new record if the upward trend continues. Because of the global economy's recovery and higher commodity prices, portfolio managers and strategists' median prediction is a year-end close of 20,500.

A **Reuters** poll results also reveal that the TSX could top 21,750 by the end of 2022. Right now, the growth engines are the COVID-19 vaccine rollouts, historic low-interest rate, and higher household savings. The fiscal stimulus could stay on depending on the growth in the labour force.

Meanwhile, Canadians have excellent [money-making opportunities](#). High flyers **Vermilion Energy** ([TSX:VET](#))([NYSE:VET](#)) in the energy sector and **OrganiGram** ([TSX:OGI](#))([NASDAQ:OGI](#)) in the cannabis space could double a \$5,000 investment. Both are [low-priced stocks](#) with massive growth potentials.

Return to normalcy

Investors in Vermilion Energy are delighted with the stock's 84.51% year-to-date gain. Also, at \$10.48 per share, the energy stock is among the undervalued stocks today. The turnaround is here for this \$1.67 billion petroleum and natural gas producer from Calgary.

Vermilion successfully recovered from its \$1.1 billion net loss in Q1 2021. In Q1 2021 (quarter March 31, 2021), management reported \$499.99 in net income. The turnaround is here now that crude oil and natural gas prices, the dominant products, are steadily rising.

The company's operations in North America, Western Australia, Croatia, France, Germany, Hungary, Slovakia, and the Netherlands should return to normal soon. Expect revitalized drilling activities for the rest of 2021. Once normalcy returns, Vermilion's free cash flow-oriented business model would be on full display again.

All of Vermilion's operating regions have been generating free cash flows for years. The core

strengths, if economically warranted, are high margins, low decline rates, and strong capital efficiencies.

Vermilion is aware of the impact of commodity price fluctuations, interest rates, and foreign currency exchange rates. The company mitigates the risks by hedging. It enters into fixed-price arrangements during the ordinary course of business and sells a portion of its production.

Formidable investor

OrganiGram has plenty of room to soar despite the 113.02% year-to-date gain. Market analysts also recommend a buy rating for the obscure weed stock. They forecast the current share price of \$3.60 to climb 65% to \$5.95. However, the upside could be more once there's federal legalization of marijuana in the U.S.

The \$1.07 billion company from Moncton produces high-quality recreational and medical cannabis. OrganiGram is adept at maximizing its production facility's indoor space. The secret is a three-level cultivation technology that will maximize indoor space.

Notwithstanding the decline in revenues and broader net loss in Q2 fiscal 2021 (quarter ended February 28, 2021), the weed stock remains in positive territory. Greg Engel, OrganiGram's CEO, said, "Nearer term, we are currently tracking to generate higher revenue in Q3 2021 as our new product portfolio continues to gain traction and we become better staffed to fulfill demand."

Another compelling reason to scoop OrganiGram is the sizeable stake in **British American Tobacco**. The US\$89.23 billion tobacco producer's interest in the Canadian cannabis producer is US\$175 million. Even if it's a drop in the bucket for the London-based company, OrganiGram should help them penetrate the CBD market.

Bargain deals

Canadians shouldn't take too long scouting for bargain deals on the TSX. Vermilion Energy and OrganiGram are great buys while they're cheap.

CATEGORY

1. Cannabis Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NASDAQ:OGI (OrganiGram)
2. NYSE:VET (Vermilion Energy)
3. TSX:OGI (OrganiGram)
4. TSX:VET (Vermilion Energy Inc.)

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