



Here Are My Favourite Under-\$5 Canadian Stocks to Watch Right Now

Description

With the advent of low- to no-commission trading, the penalty for nibbling on just a few shares of a company has fallen drastically. For decades, Canadians have had to pay up \$10-20 commissions on every trade, regardless of how many shares were picked up. Such hefty commissions disincentivized investing small sums of cash in low-dollar-amount stocks. I had a rule of thumb to keep commissions on each trade well below 1% of the principal I sought to invest.

Moving forward, I expect even more [pressure](#) to be applied to trading commissions here in Canada. In the States, such commissions are now at zero for retail investors. In due time, Canada is likely to follow suit. That said, it could take some time before the big Canadian banks jump aboard to zero-commission bandwagon, because there's still ample commission to be raked in on this side of the border. That's sad news for [Canadian investors](#), but competition is coming, and fees will probably descend in the 2020s.

If you don't pay commissions on your trades, then the penalties for buying a few shares with an extra \$100 or so have essentially been eliminated. So, instead of letting hot inflation take a bite out of your couple of hundred dollars sitting in savings, consider the following two under-\$5 Canadian stocks to buy in July.

Fire & Flower: A budding cannabis retailer trading at a buck and change

Fire & Flower Holdings ([TSX:FAF](#)) is my favourite cannabis stock out there. The company is not a licensed producer (LP) that's garnered the attention of our neighbours to the south. Fire & Flower is a cannabis retailer that's still relatively unknown to many Canadian cannabis users.

The small pot shop has a great digital presence and an incredible physical presence. But in terms of growth, the firm and its brand are still in their infancy. With its bountiful relationship with **Alimentation Couche-Tard**, which recently exercised its Fire & Flower warrants, though, I think the Canadian pot retailer is about to light up in a big way.

The cannabis retail scene is undoubtedly crowded these days. It's tough to garner a competitive edge, unless, of course, a retailer joins forces with a behemoth with deep-enough pockets and enough retail expertise to lend a helping hand. Flower's unique relationship with Couche-Tard, I believe, is the number one reason to own FAF over its competitors.

The brilliant managers at Couche-Tard will be able to help Fire & Flower grow and do so very profitably. Couche-Tard knows how to drive margins like few others in retail. As such, I find FAF stock to be among the best growth plays under \$5.

StorageVault Canada: A safe TSXV stock under \$5

StorageVault Canada (TSXV:SVI) is another under-\$5 stock that doesn't get nearly enough respect, probably because it's on the TSXV Exchange. The Canadian self-storage scene isn't nearly as saturated as in the States. That leaves StorageVault with a pretty long growth runway compared to many of its peers to the south that are stalwarts in a mature and saturated market.

In prior pieces, I've highlighted the likelihood that the end of the pandemic is likely to bring forth a return to the inner city and away from the suburbs. People are working from home in their new suburban homes now, but once it's time to return to the office, I'd look for the "densification" trend to intensify once again. Such a trend could propel StorageVault to new all-time highs.

So, if you think we'll witness a mass reversion to the mean (away from suburbs to the inner city), StorageVault is a great pick right here at \$4.81.

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Author

joefrenette

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