



The July Correction: 3 Under-\$10 Stocks to Buy the Dip

Description

The **TSX Composite Index** fell 2.27% in the last three days as fears of the [fourth wave](#) bring a [correction](#) in the stock market. Remember the first, second, and third waves? With every wave, the severity of the dip is reducing and the speed of recovery is accelerating. This is because the vaccination is gradually slowing down the pandemic spread. It is not the time to stay idle; rather, this dip is an opportunity to buy stocks with significant upside.

Three stocks to buy with \$10

Even if you have \$10 with you, you can buy three stocks that can grow by the double digits once the fourth wave of COVID-19 eases. On July 19, many airline stocks, travel stocks, and even crypto-related stocks saw a correction as the Delta variant cases surged in North America. This encouraged short-term traders and speculators to sell the stocks.

But if you are in it for the long term, three stocks present a great buy-the-dip opportunity. But you need to be patient with these stocks as they are currently undergoing a restructuring.

Bombardier stock

Bombardier ([TSX:BBD.B](#)), the maker of some of the finest business jets, has been in a multi-year restructuring since 2013. After several spin-offs and asset sales, the company has restructured itself to making only business jets, its only profitable segment for several years. This year it sold its train business to Alstom to pay off its upcoming debt.

While there is still a long way for Bombardier to reduce its debt load, it has some breathing room from this year's and next year's debt. The company is focusing on generating positive free cash flow that spiked a recovery in the stock. Bombardier stock surged over 200% year to date from \$0.47 to \$1.47 per share. If you had invested \$100 in the share last December, you would now have over \$300.

The stock also surged in hopes of recovery in business jet demand. On June 30, Bombardier received its biggest [order](#) of 2021 for 10 aircraft worth US\$451.8 million.

However, the Delta variant has instilled fears of delay in the reopening of the economy, sending the stock down 4.86% on July 19. This is just a correction and is unlikely to impact the company's long-term fundamentals. It is a stock you should consider buying on the dip to enjoy the opportunity that restructuring brings.

Transat A.T.

Speaking of restructuring, **Transat A.T.** (TSX:TRZ) is a new entrant. It received a \$700 million government bailout after its acquisition by **Air Canada** got cancelled due to delays in regulatory approval. The international tour operator has been doing well before the pandemic. And if not for the pandemic and a 15-month lockdown, it would have generated more cash flows with or without acquisition.

But Transat has come to accept the current situation. It has devised a three-step recovery plan from 2021 to 2026 and beyond. The new CEO Annick Guérard is streamlining the business by transforming the fleet, refinancing debt, and building customers. There is pent-up demand for leisure travel, and Transat is preparing to cater to this demand.

However, there will be corrections time and again with every new wave. Transat is anyways prepared for a little to no recovery until next year. The stock dipped over 21% since June 21, when Transat cancelled its acquisition by Pierre Karl Peladeau. All of the short-term traders that bought Transat shares to speculate on the takeover have exited. Now the stock will grow on the pent-up demand and Transat's recovery, which needs time.

Hive stock

The pent-up demand is understood, but what about crypto? The crypto bubble has burst, and Bitcoin keeps falling. On Monday, BTC fell over 5%. As **Hive Blockchain Technologies** ([TSXV:HIVE](#)) stock derives a lot of value from BTC, it dropped 6.6%. But Hive is diversifying beyond crypto mining and exploring other applications of blockchain technology.

Hive is a highly volatile stock and has lost 60% value from its February high. But when the crypto bubble forms, it surges 700-800%.

So grab the stock and forget it until the next crypto bubble. It has the potential to convert your \$100 to \$800.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSXV:HIVE (Hive Blockchain Technologies)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Investing
3. Tech Stocks

Date

2025/09/01

Date Created

2021/07/20

Author

pujatayal

default watermark

default watermark