3 Great Stocks You Can Buy for Less Than $8

Description

You can't peg a stock as "small" based solely on its price tag, and it's also a significantly less critical "metric" compared to the valuation of the stock (whether it's over or undervalued). But sometimes, it's a good idea to look into relatively cheap stocks — i.e., stocks with a single-digit price tag. This allows you to buy more shares with limited capital, and if you need to dispense your stake in installments, more units offer more control.

And if you are looking for stocks within a specific price range — i.e., less than $8 per share — there are three stocks that should be on your radar. They are **Secure Energy Services** (TSX:SES), **Aimia** (TSX:AIM), and **Champion Iron** (TSX:CIA).

An energy service company

Secure Energy Services is a Calgary-based company that offers a broad spectrum of energy-related solutions to its clients, including fluid management, waste management, project, and environmental services, etc. The company is currently trading at $4.2 per share and has a market capitalization of $1.3 billion.

Even though the stock has risen by 72% in 2021 alone, the valuation is discounted compared to its pre-pandemic value. The recent rise is simply thanks to the energy sector momentum, and if the company keeps riding this wave, it might help you grow your capital at a decent pace. It also offers dividends, but the 0.7% yield isn't strong enough to be a deciding factor.

An investment holding company

Aimia is a Montreal-based investment holding company that's currently trading at $4.5 a share. It focuses on long-term investments in public and private entities and takes relatively minority stakes. It currently has four significant holdings. The company is about to sell 20% of one of its major stakes to Malaysia-based AirAsia.

Aimia stock has peaked twice in recent history: once before the Great Recession and once in 2014. That's when the shares used to have a double-digit price tag. It has come down a long way from that height, but the stock seems well poised for growth right now. The company has almost no debt and about $244.8 million worth of assets under management.

The financials are still in a slump, and if the company can do something about those numbers, the chances that the stock might gain momentum are relatively high.

An iron ore company

Champion Iron is based in Australia, with two wholly owned, Canada-based subsidiaries. The company has already invested about US$4 billion in one of its main projects, Bloom Lake. And the site produces high-grade iron with minimal impurities. The company is also focusing on the environmental impact of its mining, and the Bloom Lake project registers the lowest carbon dioxide footprint globally.

The stock is currently trading at about $6 per share and has experienced one of the best growth runs after the market crash. The stock has grown almost 380% since its lowest point during the market crash. The stock is quite expensive from a price-to-book perspective and very affordable from a price-to-earnings point of view. The growth is augmented by a substantial rise in revenues as well.

Foolish takeaway

While Champion iron might be undervalued, despite its powerful growth sprint, the others are not. However, they all carry a relatively lighter price tag. It's still a good idea to match the smaller price tags to undervalued stocks for maximum return potential.

CATEGORY

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

TICKERS GLOBAL

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2. TSX:SES (Secure Energy Services)

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