



2 Cheap Stocks to Buy and Hold in 2022

Description

Many new investors often think that certain stocks have a better chance of growing simply because they trade cheaply. However, that logic shows a lack of understanding of how companies are actually valued. Instead, investors should focus on market cap. In that case, [small-cap stocks](#) have the potential to grow faster than large caps simply because of the law of large numbers and the potential to grow earnings via an expanding addressable market.

However, that's not to say that there aren't small-cap stocks out there that trade at affordable prices. In fact, in this article, I'll discuss two cheap stocks investors should buy and hold in 2022. I believe these two companies have the potential to grow into much larger entities than they are today.

Bet on the e-commerce industry

The e-commerce industry is my favourite area to invest in. Over the past decade, online shopping has slowly increased its penetration of the broader retail industry. However, the COVID-19 pandemic has greatly accelerated its penetration over the past year. In fact, in 2020, it was reported that online shopping [doubled in Canada](#) due to the pandemic. In addition, it was found that US\$105 billion was added to the American e-commerce industry in 2020.

One area within e-commerce that doesn't receive as much attention is the online grocery space. Many consumers have turned to online groceries over the past year and a half as a way to limit exposure to COVID-19. It's estimated that many of these consumers, particularly the younger demographic, will continue to rely on online groceries long after the pandemic is over. If you want to bet on a leading company in that space, **Goodfood Market** is a company you should consider buying. As of this writing, the stock trades around \$4, making it easy to fit into your portfolio.

This industry has potential to grow even after the pandemic

The telehealth industry is another space that investors should focus on. It's well documented that hospitals were having trouble accommodating all of the patients that needed medical attention over the

past year. Fortunately, many telehealth services are available. Using these services, patients can seek medical professionals directly from their phones. One company that leads this industry in Canada is **WELL Health Technologies** ([TSX:WELL](#)).

Late in 2020, WELL Health managed to expand into the United States. This gives the company exposure to the massive American healthcare industry and provides it with a great opportunity for growth. WELL Health has continued to expand into the States this year through strategic acquisitions. As it stands, WELL Health is a very small competitor in the global telehealth industry. However, if it can quickly increase its share of the global telehealth market, then shareholders could be in for massive gains.

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Date

2025/07/03

Date Created

2021/12/25

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