



2 Canadian Stocks Under \$10 to Buy Now for a TFSA in 2022

Description

There are many great Canadian stocks under \$10 to pick up for your TFSA (Tax-Free Savings Account) after yet another week filled with volatility. Indeed, that's how 2022 has been thus far. And with so much in the way of uncertainty, it's hard to expect the rest of the year will be any smoother. Rate hikes are ahead of us, and although we don't know how many will land and when they will be official, investors are getting ready for the worst, it seems. While the U.S. Federal Reserve may be quite the hawk, it's also quite possible that jittery investors are overblowing the whole situation. You see, the market is a forward-looking entity. It's preparing for events that'll strike in six, nine, or even 18 months from now. Indeed, everybody wants to get ahead of everybody else. But Mr. Market has been known to make blunders every now and then. It's these such blunders that lead to volatility on both ends.

Volatility is perceived as a negative, but let's not forget that it works both ways! Indeed, last week's round of earnings saw massive double-digit percentage fluctuations on the daily. It's stomach-churning. But it goes to show the dangers of selling after a big red day.

Canadian investors be patient: Stocks can recover in a snap!

Take shares of **Snap**, as an example. They plunged around 24% on Wednesday as investors hit the panic button on their favourite social-media stocks. It was scary and tempting to take action. But the best course was doing absolutely nothing. By sitting on your hands, you would have done extraordinarily well. And by buying the dip, you would have taken advantage of the volatility. Stock pickers have the edge in times like these. On the same day, Snap shed nearly a quarter of its value, the stock blasted off over 60% in the after-hours. That's unprecedented volatility, but it goes to show that even multi-billion-dollar corporations can, at times, face extreme levels of pricing inefficiency.

It's hard to imagine the last time that Mr. Market was so wrong with his pricing of securities. Efficient market theory? Not in this market. Not in 2022, where profound volatility has become the new normal.

In this piece, we'll have a look at two under-\$10 Canadian stocks I'd look to nibble at for a long-term TFSA. Both names are battered and are suitable for younger, risk-tolerant investors seeking big gains.

Enter **Goodfood Market** ([TSX:FOOD](#)) and **StorageVault Canada** ([TSX:SVI](#)), which trade at \$3.10 and \$6.58, respectively, at writing.

GoodFood

Goodfood has been stuck in a vicious, unforgiving bear market, thanks to its diminished profitability prospects. Indeed, the pandemic was a huge boon for the meal-kit firm. But now, the stock has surrendered all of its 2020 gains. It's been a painful ride, with the stock now off around 77% from its all-time highs hit in early 2021.

I think Goodfood is an intriguing bargain here and am a fan of the increasing value proposition. Sure, inflation has been a cause for concern. But given the operating margin expansion potential, I'd argue that higher prices are a bigger problem for its peers. In any case, I view the mid-cap as way too [cheap](#) to ignore after an exaggerated sell-off.

StorageVault

Up next, we have StorageVault, a TSXV firm that recently graduated to the big leagues. The self-storage firm has a solid amount of momentum behind it, with much in the room for growth in Canada's self-storage scene. Indeed, there are secular trends still at play, and a world of M&A opportunities should the firm choose to go on the hunt for bargains in what's shaping up to be a choppy rest of 2022. The \$2.5 billion REIT-like play is intriguing and a compelling play for TFSA investors looking for smart beta [growth](#).

Unlike Goodfood, StorageVault has a more predictable business, with robust cash flows. But for that reason, shares are much more expensive.

Better Canadian stock under \$10?

I'd have to go with StorageVault. The name is a wonderful business with impressive fundamentals. Goodfood has challenges and more than its fair share of baggage. That said, if management can answer the call, shares could pop big-time. At the end of the day, it's all about your risk tolerance.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. TSX:SVI (StorageVault Canada Inc.)

PARTNER-FEEDS

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

PP NOTIFY USER

1. jguest
2. joefrenette

Category

1. Investing
2. Stocks for Beginners

Date

2025/08/21

Date Created

2022/02/05

Author

joefrenette

default watermark

default watermark