



## 3 Cheap Canadian Stocks to Buy Under \$10

### Description

After keeping the benchmark interest rates closer to zero for over three years, the U.S. Federal Reserve approved a 0.25% hike yesterday, which was in line with analysts' expectations. Meanwhile, the committee, which completed its two-day meeting yesterday, expects a consensus fund rate of 1.9% by the end of this year, which was higher than the guidance it provided in December. The committee now expects to make three more interest rate hikes in 2023 and none in 2024.

Investors hope that the Fed's aggressive stance could lower inflation, thus aiding the economy in the long run. So, along with these announcements, the progress in the peace talks between Russia and Ukraine drove the **S&P/TSX Composite Index** higher by 1.3% yesterday. Amid improving investors' sentiments, here are three cheap Canadian stocks that you can buy under \$10.

### Canopy Growth

**Canopy Growth** ([TSX:WEED](#))([NASDAQ:CGC](#)) has witnessed strong buying over the last two days, with its stock price rising by over 10%. Despite the surge, the company is trading around 26% lower for this year amid the weakness in the cannabis sector. The delay in cannabis legalization at the federal level in the U.S. has dragged the sector down. Amid the steep correction, the company's NTM price-to-sales multiple stands at 5.4, lower than its historical average.

Meanwhile, [Canopy Growth could deliver substantial returns over the next three years](#). It reported a [solid third-quarter performance](#) last month. In addition, its expanding product offerings, streamlining of new product development, and strengthened distribution system to resupply fast-moving SKUs quickly could drive its financials in the coming quarters.

With the acquisition of warrants to acquire Acreage Holdings and Wana Brands upon federal legalization, Canopy Growth is well-positioned to expand its business in the United States. The company has also taken several cost-cutting initiatives, which could aid in moving toward profitability.

## WELL Health Technologies

Amid rising investor optimism, **WELL Health Technologies** ([TSX:WELL](#)) rose 8.5% in the last two days of trading. Despite the increase, the company is still trading at a 49.5% discount from its 52-week high. I expect the company to outperform over the next three years, given its improving financials and healthy growth potential.

Supported by both organic growth and the contributions from the acquisition of Wisp, WELL Health had 965,294 omnichannel patient interactions in the fourth quarter, representing an annualized run-rate of 3.86 million. Its revenue run-rate crossed \$450 million earlier than expected, while its adjusted EBITDA closed in at \$100 million.

Notably, the revenue from WELL Health's recent acquisitions, Circle Medical and Wisp, had reached an annualized run-rate of US\$70 million and could increase to US\$100 million by the end of this year. The company could also benefit from increased adoption of virtual services. So, WELL Health's growth prospects look healthy.

## Goodfood Market

Amid strong market sentiment, **Goodfood Market** ([TSX:FOOD](#)) rose over 12% yesterday. However, it still trades 78.8% lower than its 52-week highs, with its NTM price-to-sales multiple falling to an attractive level of 0.5.

The increased adoption of online grocery shopping is driving the demand for the Goodfood Market's services. Meanwhile, the company is investing in strengthening its last-mile delivery capabilities. In January, the company raised around \$30 million to construct over 20 micro fulfillment centres across the country, which could accelerate the implementation of its on-demand service. Besides, new product launches, expanding geographical footprint, and strengthened production capabilities could support its growth in the coming quarters. So, I believe Goodfood Market is an excellent buy right now.

### CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:FOOD (Goodfood Market)
3. TSX:WEED (Canopy Growth)
4. TSX:WELL (WELL Health Technologies Corp.)

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