



3 TSX Stocks Primed for a Breakout in the Near Future

Description

Not all run-down stocks are working. Investing in and betting on devastated stocks might be a risky investment decision. But even if some of them break out spectacularly, the overall returns can be significant. It's essential to ensure that the scale of the payout is proportional to the risk you are taking.

A marijuana company

Marijuana stocks in Canada have been run down for a while now, and even giants like **Tilray** ([TSX:TLRY](#))([NASDAQ:TLRY](#)), which has become quite huge after the merger with Aphria, are pretty heavily discounted. One of the largest marijuana companies in the world is currently trading at a 96.5% decline from its peak price point and an over 82% discount from its recent 2021 peak.

However, there is a ray of hope — the U.S. federal government could legalize marijuana. A vast new market like the U.S. can open new doors for Tilray, and the company can see revenues rise past the historic best levels. And if the stock follows and reaches even near its all-time high price, you can easily [grow your capital](#) by about 25 times if you buy now, at its down-trodden value.

A payment solution company

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) offers a healthy blend of the financial sector and the tech sector to your portfolio. It's basically a payment solutions company that caters to an extensive global customer pool and has a wide variety of [payment solutions](#) and technologies under its belt (over 530).

It deals in over 150 currencies, including a healthy collection of cryptocurrencies which makes it a perfect early adapter solution provider if crypto becomes a standard payment method.

Currently, Nuvei is trading at a sizeable discount (about 58%) to its recent 2021 peak. And there are two reasons for that. One is that the tech sector is weighing down the company. The other would be a short-seller report from a U.S.-based firm that pointed out some inaccuracies and negative assessments regarding the company, which it has denied. The stock is poised to breakout along with a

sector-wide recovery of tech.

A green transportation company

Even though some are technically electric vehicles (EVs), mass transit solutions like buses are not exactly the first thing that comes to mind when people discuss EVs. That's an "image" issue companies like **NFI Group** ([TSX:NFI](#)) face. This Winnipeg company offers zero-emission mobility solutions that go beyond simple EVs and focuses heavily on fuel cell technology as well.

The stock saw a substantial rise in its value between its inception and 2018 peak, but it has been downhill since then. The stock is currently adequately underpriced and its competitive edge, which includes its production capacity, which is far ahead of most of its local and many international peers in the same domain, makes it perfectly primed for a breakout when the demand for such solutions spikes.

Foolish takeaway

The three stocks are currently down due to the [bear markets](#) their sectors are going through right now or other reasons. But their position in their respective industries and business models make them perfect breakout candidates in the right conditions, which might not be as ahead in the future as you might think.

CATEGORY

1. Investing

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2. NASDAQ:TLRY (Tilray)
3. TSX:NFI (NFI Group)
4. TSX:NVEI (Nuvei Corporation)
5. TSX:TLRY (Aphria)

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