3 Cheap Under-$20 Stocks to Buy in Bulk

Description

Record-high inflation and tightening of the monetary policy to tame it have led to a selloff in the stock market. Meanwhile, fear of further weakness in the economy limits the recovery of stocks.

Undeniably, market conditions remain challenging. However, long-term investors shouldn't worry much and accumulate shares of several top TSX stocks trading at attractive discounts. While several top TSX stocks have lost substantial value, I'll only focus on the shares that are trading below $20. Buying these high-growth stocks in bulk and holding them for the long term could significantly enhance your portfolio's returns.

Air Canada

Air Canada (TSX:AC) stock remains under pressure, as equity dilution and higher jet fuel prices remain a drag. Further, macro headwinds and anticipated weakness in consumer spending could hurt future air travel demand. While near-term challenges could limit the upside in Air Canada stock, I am bullish on its long-term prospects.

The widespread vaccinations, lower new COVID cases, easing travel restrictions, reopening of international borders, and strong travel demand point to a steep recovery in Air Canada stock in the medium term. Further, improving advance ticket sales and higher net cash from operations will allow it to lower long-term debt. Also, its diverse revenue streams and growing cargo business augur well for growth.

BlackBerry

While economic uncertainty has weighed on tech stocks, now could be a perfect time to invest in them. Priced below $20, **BlackBerry** (TSX:BB)(NYSE:BB) could be a solid addition to your portfolio from the tech space. Though BlackBerry stock has witnessed a sharp pullback, the continued momentum in its business, ongoing digitization, and benefits from the electrification and automation in the auto market indicate that BlackBerry could deliver outsized returns in the long term.

Notably, BlackBerry's strong recurring product revenue, growing customer base, and higher enterprise spending on cybersecurity will likely support its growth. Further, its growing addressable market is a positive. The company expects the momentum in its business to sustain and projects its IoT revenues to grow at a CAGR of 20% in the next five years. Moreover, BlackBerry expects its cybersecurity business to increase at a CAGR of 10% through FY27. Overall revenues are expected to grow by 13% during the same period.

While BlackBerry's top line is projected to increase at a double-digit rate, the company expects to expand its gross margins by 100 basis points annually over the next five years. The ongoing momentum in its business, solid sales and margin outlook, and low price make BlackBerry an attractive investment.

WELL Health

Investors could consider buying **WELL Health** (TSX:WELL) stock for its stellar growth prospects. What stands out is that WELL Health's omnichannel patient visits continue to grow at a breakneck pace, despite the economic reopening. The higher patient visits are supporting its revenue and EBITDA.

While WELL Health's top line has grown rapidly, management remains confident that momentum in its business will likely sustain on the back of higher organic sales and benefits from acquisitions.

Higher patient visits, strength in the U.S. business, the ramp-up in M&A activities, and its extensive network of outpatient medical clinics bode well for future growth.

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3. TSX:BB (BlackBerry)
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