2 Top TSX Stocks Under $30 a Share to Buy Now

Description

Retail investors with minimal amounts to invest may be inclined to check out the TSX stocks with low share prices. Indeed, you're getting a lot more shares for a relatively small investment, but is chasing under-$20 stocks really a good way to obtain outstanding results? I'd argue the low share price itself doesn't mean a heck of a lot. It doesn't indicate value nor the potential for higher returns.

Indeed, many new investors seem to be looking at the wrong metric when trying to get the most bang for their buck. A low share price tends to be slapped on a small- or mid-cap stock. Further, many extremely low-priced stocks may have fallen far from their peaks. And there's always a reason for such an implosion. A lot of the time, such implosions imply serious baggage, and it's the low share price that could act as a siren song for new investors who don't put in the due diligence.

Though there are undervalued TSX stocks that have low share prices, investors should seek out low-multiple stocks (think the price-to-earnings [P/E] multiple) rather than low share prices.

In this piece, we'll check out two TSX stocks that are priced below $20, with valuations that are also enticing. Further, neither firm has imploded or is at risk of becoming less relevant as a result of a lack of competitiveness.

StorageVault Canada: A niche real estate play for $5.93 per share

The self-storage market is pretty boring and predictable. In a rising-rate environment, **StorageVault Canada** (TSX:SVI) stock is an intriguing firm to own if you're looking for robust growth. The $2.2 billion company boasts more than 100,000 self-storage units across over 200 locations. Indeed, StorageVault has clocked in more than 160% returns over the past five years, but shares have since stalled out ahead of recessionary headwinds.

At writing, the stock trades at 9.7 times sales. Though sales growth could decelerate from around 27% last year, I still think SVI stock is one of the long-term growth holdings that's worth hanging onto through thick and thin. Self-storage is a rewarding niche, and it's likely to continue to be should the firm pursue mergers and acquisitions, as bargains grow more abundant.

Cenovus Energy: An energy juggernaut for $24 per share

Cenovus Energy (TSX:CVE)(NYSE:CVE) stock went from laggard to one of the hottest stocks on the entire TSX Index. All it took was a big uptick in the price of oil. Cenovus is a more sensitive producer, but it's also one of the most innovative. The company is pushing to reduce breakeven costs, so that it can be better able to withstand the next inevitable plunge in energy prices.

With WTI at US$85 per barrel, Cenovus will continue raking in free cash flow, much of which will line the pockets of investors. After the recent 26% pullback from peak levels, CVE stock goes for 11.54 times trailing P/E. That's relatively cheap for a cash cow that could continue to yield promising results in this "higher-for-longer" energy price world.

CATEGORY

1. Investing

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2. TSX:CVE (Cenovus Energy Inc.)
3. TSX:SVI (StorageVault Canada Inc.)

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