



## Top Stocks Under \$10 (GE)

March 04, 2009 | by [Glenn Curtis](#)

The carnage in the [equity](#) markets has clearly been massive. Many large companies are now trading at a fraction of the price that they once were. That being said, bargain hunting investors may be able to take advantage of this situation.

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As part of my research I screened for companies that are currently trading under \$10, which sport a [market cap](#) in excess of \$200 million, and which are currently expected to post a profit in 2009 or in the current year.

The following are some of the companies I found that may be worthy of further research.

Company	Market Capitalization	Price
<b>Bank of America</b> (NYSE: <a href="#">BAC</a> )	\$18.5 Billion	\$3.63
<b>Dell</b> (Nasdaq: <a href="#">DELL</a> )	\$16.6 Billion	\$8.43
<b>General Electric</b> (NYSE: <a href="#">GE</a> )	\$80.9 Billion	\$7.60
<b>MGM Mirage</b> (NYSE: <a href="#">MGM</a> )	\$843 Million	\$3.05
<b>Nokia</b> (NYSE: <a href="#">NOK</a> )	\$32.3 Billion	\$8.74
As of market close March 2, 2009		

### General Electric

Of these, the one that interests me most is GE. Shares are down more than 70% over the last 52-weeks. However, I believe that the company still has a few things going for it that investors seem to be glossing over.

For one, GE has its hands in a number of businesses ranging from appliances to aircraft engines to light bulbs. In addition, it can trace its roots to before 1900. In that sense I'd argue that's it had to endure some tough times before. (Financial downturns are part of the economic cycle and may have important long-term benefits, read more in [Recession And Depression: They Aren't So Bad.](#))

The company recently made headlines on news that it plans to cut its dividend to 10 cents a share from 31 cents a share. Clearly I would suggest that this is not the best news that neither the company nor its shareholders could have hoped for. However, I don't think it's necessarily the company's death knell either, and in fact I think that there is still a positive way of looking at the cut.

First, in the release the company said "This decision will preserve approximately \$9 billion for the company on an annualized basis." That'd be a big savings. In addition, once it paid out that dividend the forward [yield](#) (using the current \$7.66 price) would be just north of 5%.

At present Wall Street thinks the company will earn \$1.26 in 2009. Clearly nobody knows if it will hit that number. However, with the shares currently under \$8, I have to say that it does draw my attention.

One big concern that I do have is that if the stock punches below \$5 I think that some institutions may become reluctant to get involved. Some other big names, albeit not competitors, that have somewhat recently punched through the \$5 level and seem to be struggling include Citigroup, Bank of America, MGM Mirage and General Motors.

#### **Bottom Line**

Just because a stock is trading at a very low price doesn't necessarily mean that it's a "buy." However, I do like to generally keep an eye peeled for big name low priced stocks on the chance that there is an opportunity.

By [Glenn Curtis](#)

Glenn Curtis started his career in the 1990s as an equity analyst for a regional firm in New Jersey. There, he covered companies in the technology, entertainment, and gaming industries. Curtis has since worked as a financial writer at a series of both web and print publications, including TheStreet.com and *Registered Rep Magazine*. He has held his series 6,7,24, and 63 securities licenses. At the time of writing, Glenn Curtis did not own shares in any of the companies mentioned in this article.

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