3 Great Stocks to Buy If You Have $60,000 to Invest

Description

Most investors can afford to buy stocks that trade for $20 or $30 because the required purchase of 100 shares will only use up two or three thousand in savings.

That means many investors get squeezed out of great companies when stock prices break $100 per share.

These stocks are simply reserved for investors who have a lot more money. Is it fair? Probably not.

Most of the high-priced shares are listed in the U.S. on the NASDAQ. **Priceline Group**, **Google**, and **Amazon** are just a few.

However, Canada also has some great companies with huge stock prices.

The following three Canadian stocks have been rewarding investors handsomely. If you are fortunate enough to have $60,000 to invest, you can get in on the action.

1. Valeant Pharmaceuticals

Valeant Pharmaceuticals (TSX: VRX)(NYSE: VRX) is one of the world's fastest-growing pharmaceutical companies. Since the 2010 merger with Biovail, Valeant CEO Michael Pearson has been on a monstrous acquisition binge.

The company has acquired more than 15 companies in the past four years. Its latest target is **Allergan** (NYSE: AGN), the maker of Botox. Valeant, along with Bill Ackman's Pershing Square Capital Management, is trying to buy Allergan in a deal worth more than $50 billion.

Pearson's acquisition strategy has been a big hit with the market. Valeant's shares are up more than 800% in the past five years.

The hostile takeover battle for Allergan has kept some new investors on the sidelines. Once the dust settles on the deal, though, Valeant's shares will likely resume their upward trend.

At $130 per share, you need at least $13,000 to take an initial position.

2. Canadian Pacific Railway

Canadian Pacific Railway (TSX: CP)(NYSE: CP) just reported record Q2 2014 earnings of $371 million, or $2.11 per share. This is 48% higher than the same quarter in 2013.

Hunter Harrison took over as Canadian Pacific's CEO two years ago. His focus on making the company more efficient has been extremely successful. Harrison has cut costs and improved service. These actions, coupled with a recovering U.S. economy and a huge increase in crude shipments from Canada's oil sands operators, have driven the company's earnings and stock price much higher.

Its shares are up more than 180% in the past two years. The economic fundamentals for the company remain strong and further operating improvements should see margins expand moving forward.

At $210 per share, you need $21,000 to initiate a position in this company.

3. Constellation Software

Constellation Software (TSX: CSU) buys vertical market software businesses with proven products to serve the needs of its broad group of public and private sector clients. The company has a fantastic track record of identifying and buying businesses with excellent growth potential and using its expertise to manage the continued development of these software companies once they come under the Constellation umbrella.

Under the stewardship of founder Mark Leonard, Constellation has consistently rewarded investors with capital gains and a growing dividend. The company paid investors a dividend of $4.12 per share in 2013.

Constellation's share price has increased nearly 700% in the past five years. Management has done an excellent job over the past 19 years of identifying opportunities and capitalizing on them through timely acquisitions.

The track record suggests that strategy will continue to be successful.

One negative item for investors to watch is a battle between Constellation and the Canada Revenue Agency regarding the reassessment of a tax filing from 2004. The net risk is $11 million if Constellation loses its appeal.

At $260 per share, you need $26,000 to buy a position in Constellation.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BHC (Bausch Health Companies Inc.)
2. NYSE:CP (Canadian Pacific Railway)
3. TSX:BHC (Bausch Health Companies Inc.)
4. TSX:CP (Canadian Pacific Railway)
5. TSX:CSU (Constellation Software Inc.)

Category

1. Investing

Date
2025/08/03
Date Created
2014/07/25
Author
aswalker