3 TSX Stocks Under $50 to Buy Right Now

Description

The Canadian equity markets have shown strong resilience, with the **S&P/TSX Composite Index** rising 2.1% this month after a September pullback. Meanwhile, the slowdown in the economic recovery rate and increasing COVID-19 cases are still headwinds. However, investors with a longer horizon should not worry about these short-term volatilities and buy the following stocks, trading under $50 for superior returns.

Lightspeed POS

First on the list is a turnaround stock of this year, **Lightspeed POS** (TSX:LSPD). After bottoming out in March, the company has returned over 350%. The shift in its business model to focus on omnichannel solutions, such as e-commerce, payments, customer engagement, and analytics, drove its financials and stock price.

Amid the pandemic, many SMBs (small- and medium-scale businesses) took their businesses online, which has created a long-term tailwind for the company. At the end of the recently completed first quarter, its customer base stood at 77,000 spread across over 100 countries.

Meanwhile, AMI Partners projects that overall, 226 million SMBs operate worldwide. This estimate includes 47 million retailers and restaurants, which are Lightspeed's potential customers. So, the company has considerable scope for expansion. Also, it has raised US$330 million through an IPO in the United States, which provides ample liquidity to acquire its peers and expand its customer base and market share.

Absolute Software

Second on the list is **Absolute Software** (TSX:ABT), which has returned over 100% for this year. Amid the surge in remote working and e-learning, the demand for endpoint security and data risk-management solutions has increased, benefiting the company.

Its annual recurring revenue (ARR), which indicates its future recurring revenue streams, has been growing over the last few quarters. Meanwhile, its ARR stood at $108.3 million at the end of the fourth quarter, representing a growth of 11% from the previous year's quarter. The company also earns 95% of its revenue from its recurring source, proving stability to its earnings.

Meanwhile, Gartner projects spending on endpoint security to reach US$56 billion by 2023. So, given the large addressable market, high customer retention rate, and zero-debt, Absolute Software could deliver superior returns in the long run. Also, the company pays quarterly dividends of $0.08 per share. So, its dividend yield stands at 1.8%.

Enbridge

Third on my list is **Enbridge** (TSX:ENB)(NYSE:ENB)**,** which has lost 25% of its stock value this year amid weak oil prices and the decline in its mainline throughput. Meanwhile, the company earns approximately 98% of its cash flows from fee-based contracts. So, its cash flows are stable.

Further, the company is making progress with its $11 billion secured projects and expects them to come into service between 2020 and 2023. These projects can contribute incremental cash of $2.5 billion once they become operational.

Enbridge is also expanding its footprint in the renewable energy segment. In the recently announced second quarter, its adjusted EBITDA from the renewable power generation segment grew 50% to $150 million. Further, the company has planned to complete the construction of its 2.25-megawatt Lambertville Solar Project later this year. So, the company's growth prospects look healthy.

Moving to dividends, Enbridge has raised its dividends for the last 25 years at an 11% CAGR. Currently, its dividend yield stands at a juicy 8.4%. So, Enbridge would be a good buy given its high dividend yield, stable cash flows, and healthy growth prospects.

CATEGORY

1. Tech Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ABST (Absolute Software)
3. TSX:ENB (Enbridge Inc.)
4. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Yahoo CA

Category

1. Tech Stocks

Date
2025/08/20
Date Created
2020/10/15
Author
rnanjapla