



Top 3 Canadian Stocks Under \$50

Description

For Canadian investors, trying to buy a single share of **Amazon** or another high-priced stock can be difficult. Many platforms do not allow for partial share purchases.

In this context, I've picked three of the top **TSX** stocks trading under \$50 retail investors ought to consider today.

Algonquin Power

One of my top picks for some time has been **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)). This is a company with a strong core regulated utilities business, providing extremely high levels of cash flow stability. Regulated utilities makes up approximately two-thirds of the company's revenues.

The other third is where I get excited. Algonquin's renewable power business has grown to become a powerhouse cash flow generating stream. I think further growth could be on the horizon in terms of acquisitions in the renewables space. Indeed, Algonquin has a very nice mix of safety and growth built into its core business right now, and could improve on this in the future.

Algonquin's dividend is also [extremely desirable](#). The company provides investors with a yield 3.7%. The growth underpinning this yield is where I get excited. Algonquin has done an incredible job of raising its dividend over the years, and is poised to continue this long term. The growth in the company's core businesses provides a solid runway for income appreciation over time.

Additionally, this is a dividend that is paid out in U.S. dollars, so if you're bearish on the Canadian dollar or simply want diversification, this is a dividend stock for you.

Pembina Pipeline

Energy infrastructure really is the way to play the energy sector right now. I think companies like **Pembina Pipeline**

([TSX:PPL](#))([NYSE:PBA](#)) have been unfairly undervalued by the market during this pandemic. Furthermore, these stocks have also not recovered to the degree I think they should have.

The revenues Pembina takes in produce cash flows which are extremely reliable. Indeed, Pembina's contracts with its counterparties are iron-clad. While there are risks, I think we're looking at the potential for a bull market in commodities given which way the U.S. dollar has been trading of late. Pembina could catch a bid if investors jump on this bandwagon and start pinpointing undervalued energy stocks.

Fortis

Another utilities player, **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) is a great long-term pick for any investor. This company's revenues are almost entirely earned from its regulated utilities business. Accordingly, Fortis' business model is about as stable as it gets. The defensiveness this stock provides in a market that is approaching obscene levels of exuberance is well-deserving of a premium multiple.

Similar to Algonquin, I get really excited about Fortis' dividend. Again, it's not necessarily the 3.8% yield I like. Rather, it's the nearly five-decade track record of dividend increases Fortis has provided investors. This is a true dividend growth play, and is hands-down the top stock I'd put in my RRSP to generate growing income in retirement.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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6. TSX:PPL (Pembina Pipeline Corporation)

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