



## Wherever the Market Goes, I'm Buying These 4 Under-\$100 TSX Stocks

### Description

Stretched valuations and challenges in vaccine distribution are leading many to believe that the stock market could crash. In contrast, I don't expect the stock market to crash but would welcome a healthy correction.

Further, I believe valuations will start to appear normal once the corporate earnings recover due to the revival of demand and economic expansion in the second half of 2021. As the stock market's trajectory remains uncertain, I am optimistic about four Canadian stocks that could generate healthy returns in 2021, irrespective of where the stock market moves.

### Food retailer

Food retailer **Loblaw** ([TSX:L](#)) appears to be an [attractive bet](#) amid uncertainty. While tough year-over-year comparisons and deceleration in growth could pose challenges for retailers, Loblaw is likely to deliver strong same-store sales and earnings growth on the back of growing digital capabilities and its value offerings.

The expansion of its click-and-collect services and home delivery offerings are likely to drive traffic and ticket size. Meanwhile, expanded online product offerings bode well for growth. Loblaw stock trades at a next 12-month P/E ratio of 13.4, which is well below **Metro** and **Alimentation Couche-Tard**'s forward multiple of 16 and 15.4, respectively.

### Low-risk utility company

**Algonquin Power & Utilities's** ([TSX:AQN](#))([NYSE:AQN](#)) diversified and regulated utility business could continue to deliver strong gains irrespective of where the market goes. The company expects its rate base to increase at a CAGR (compound annual growth rate) of 11% through 2025, implying that it could continue to produce strong sales and EBITDA growth, which could drive its earnings and dividend payouts.

Besides capital appreciation, investors are expected to benefit from its robust dividend payouts. It has raised dividends at a CAGR of 10% over the past decade. Meanwhile, it could continue to increase it at

a similar pace in 2021 and beyond, thanks to its high-quality and regulated earnings base.

## A gold mining company

**Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) is likely to add stability to your portfolio amid wild market swings. Its stock is too cheap to ignore at the current levels. Kinross Gold stock trades at the next 12-month EV/EBITDA multiple of 3.7, which is about 35% lower than its peer group average.

The company is expected to benefit from growing production volumes. Further, its costs are projected to decline over the next three years, thus supporting earnings and cash flows. Besides value and growth, Kinross Gold stock offers a decent yield of 1.8%.

## Commerce-enabling tech company

While **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock significantly outperformed the broader markets in 2021, it remains well positioned to deliver [strong returns](#) in 2021 as well. The structural shift in selling models and increased spending on e-commerce provides a good growth opportunity for Lightspeed stock.

I believe the demand for its omnichannel payment platform is likely to sustain, despite the easing of lockdown measures and an expected increase in activities in the physical stores and restaurants. Moreover, Lightspeed's recent acquisitions, client base growth, geographic expansion, and up-selling are likely to drive its revenues and margins.

## Bottom line

Wherever the market goes, these under-\$100 TSX stocks are expected to deliver healthy returns in 2021. Their resilient business and positive secular industry trends are expected to drive demand and support the upside in shares.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Metals and Mining Stocks
5. Tech Stocks

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:KGC (Kinross Gold Corporation)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:K (Kinross Gold Corporation)
6. TSX:L (Loblaw Companies Limited)
7. TSX:LSPD (Lightspeed Commerce)

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