



4 Top Canadian Stocks to Buy With \$50

Description

The signs of strong recovery with Canada's fourth-quarter GDP coming better than expected and the optimism over a U.S. stimulus package continue to support the Canadian equity markets. Amid the bullish environment, here are four stocks that you can buy under \$50 for superior returns.

Absolute Software

After returning over 74% last year, **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) is up 22% this year. With people shifting to remote working and distance learning amid the pandemic, the demand for the company's products and services rose, driving its financials. In its recently reported second-quarter earnings, Absolute Software's top line increased by 16%, while its adjusted EBITDA rose 29%. Its new launches and growth in its average recurring revenue (ARR) drove the company's top line.

After reporting its [second-quarter performance](#), the company's management raised its guidance for fiscal 2021. Now, the management expects its revenue to grow at 12-14%, while its adjusted EBITDA to grow by 22-24%. Given its robust pipeline of products, attractive valuation, and expanding addressable market, I am bullish on Absolute Software.

Aphria

Aphria (TSX:APHA)(NASDAQ:APHA) has delivered impressive 161.5% returns this year. Along with the increased interest in cannabis stocks, its impressive second-quarter performance, and the optimism over its merger with **Tilray** have driven the company's stock price higher. The company has acquired a significant market share in Canada's recreational cannabis market through its strong performance in vape and dried flower segments. Meanwhile, the company is focusing on introducing higher-potency products to strengthen its market share further.

Its recent acquisition of SweetWater Beverage Company allows Aphria to expand its operations in the United States. Further, Aphria's management expects its merger with Tilray to complete by late April or early May. The merger would consolidate the new entity's market share in both domestic and

international markets. So, given its strong growth prospects, [I expect the upward momentum in the company's stock price to continue.](#)

Algonquin Power & Utilities

Last month, **Algonquin Power & Utilities's** ([TSX:AQN](#))([NYSE:AQN](#)) management had announced that the deep freeze had restricted the electricity production in some of its wind farms in Texas. The management had estimated that the adverse event could lower its 2021 adjusted EBITDA by \$45-\$55 million.

The announcement had led the company's stock price to fall. As of Wednesday, the company was trading at over 13% lower than its 52-week high, providing investors with an excellent buying opportunity as its long-term growth prospects remain intact.

Algonquin Power & Utilities will be investing around \$9.4 billion over the next five years to expand its rate base at a CAGR of 11.2%. Supported by these investments, the company's adjusted EPS could grow at an average annualized growth rate of 8-10% during this period. The company also pays quarterly dividends of \$0.2019 per share, with its dividend yield currently standing at 4.1%

Dye & Durham

My final pick would **Dye & Durham** ([TSX:DND](#)), which is trading over 18% lower from its 52-week high amid the recent pullback in high-growth stocks. The correction provides an excellent buying opportunity, given its high-growth prospects and accretive acquisitions. In its recently reported second quarter of fiscal 2021, its top line and adjusted EBITDA grew 96% year over year.

With the integration of its recent acquisitions ahead of schedule, the management expects its third-quarter EBITDA to increase by 75% year over year. Further, the management is hopeful of reporting \$340 million revenue and \$200 million adjusted EBITDA in fiscal 2022. It has also raised \$500 million through new equity offering and debt facilities, which could support its aggressive acquisition strategy.

CATEGORY

1. Cannabis Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:ABST (Absolute Software)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:DND (Dye & Durham Limited)

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