



2 Top Canadian Stocks I Would Buy With \$500 in April

Description

There was a slight correction in the stock market in March, as tech stocks saw a pullback. There was no major announcement on the pandemic situation. Then what led to the pullback? There are many factors, and one of them is investors are cashing out their money for it is time to pay taxes. At the same time, investors have a \$6,000 contribution limit for their Tax-Free Savings Account (TFSA). You can use \$500 from that amount in April and buy some stocks at their dip.

How to invest your \$6,000 TFSA limit

The Canada Revenue Agency (CRA) has given you a \$6,000 TFSA limit you can use throughout the year. Now, there are three ways you can use your contribution limit:

- Invest \$500 every month in two stocks.
- Invest the entire \$6,000 in one go when you find a good buying opportunity (market dip).
- Set some money aside for regular investing and some for a good buying opportunity.

Here are two stocks that are a good buying opportunity in April.

Magna International stock

Magna International ([TSX:MG](#))([NYSE:MGA](#)) stock corrected 5% from its mid-March high, creating an opportunity to buy the dip. This auto component supplier is entering a new growth phase, as the adoption of electric vehicles (EVs) gathers momentum. Over the last 60 years, Magna has moved from engineering and manufacturing auto parts to components, systems, modules, and final assembly. Investing in this one company gives you exposure to a large part of the automotive supply chain.

Magna is now leveraging its engineering and manufacturing know-how to help automaker and tech companies build EVs and autonomous vehicles (AVs). Its CEO is considering building **Apple** cars and has been in talks with iPhone maker.

Magna [aims](#) to become more than just a supplier to these auto companies. It is already an equity partner of Fisker and Google's Wyamo. With this partnership, Magna will not only benefit from contract payments but also from a share in automakers' profits and losses. This partnership arrangement opens new growth avenues for Magna in the 2030 decade.

On the financial front, Magna has three years of cash flows after capital expenditure to help it withstand any severe crisis. The EV momentum has more than doubled Magna's stock price in six months. Its stock will surge as the company secures more orders, and it will grow significantly when AVs commercialize. Magna is set for a long drive and will play an instrumental role in changing the future of automotive.

Lightspeed POS stock

As Magna is redesigning the future of automotive, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is [redesigning](#) the future of retail and hospitality. It is breaking the barrier of technology and efficiency, bringing enterprise-level solutions to small- and mid-sized businesses (SMBs). From ordering online to managing inventory of multiple stores, SMBs can do everything on the Lightspeed platform.

The pandemic helped Lightspeed break the biggest barrier of SMBs' reluctance to adopt its technology. Lightspeed CEO stated that its platform has now become a "need-to-have technology." The company is tapping this move to contactless commerce with full force. It has accelerated its innovations, made some of its largest acquisitions, and raised capital for its future ventures.

Now it is time to get the ball rolling and make the innovations like Supplier Network and eCom for restaurants to land and expand. Lightspeed stock surged 150% last year on the back of the e-commerce wave. The correction in tech stocks has pulled Lightspeed stock down 27%, creating a good buying opportunity.

Final thoughts

Both Magna and Lightspeed have just begun their growth journeys. They have a huge market to tap and a future to shape. The current pullback has created a good buying opportunity. But this opportunity won't last long. Buy these stocks through your TFSA while they are still trading at a discount.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:MGA (Magna International Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:MG (Magna International Inc.)

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