



Got \$500? 5 Under-\$30 TSX Stocks to Buy Now for the Long Term

Description

The equity markets continue to remain volatile, as the resurgent virus and uncertainty over the pace of economic recovery continue to play spoilsport. However, it still makes sense to invest in some of the top TSX stocks at the current price levels to generate stellar returns in the long term. Let's focus on five such under-\$30 stocks that could deliver outsized returns.

Air Canada

With the continued increase in COVID-19 infections worldwide, **Air Canada** ([TSX:AC](#)) could witness a bumpy ride in the short term. However, the wide availability of the vaccine and easing of travel restrictions in the latter part of this year could significantly boost Air Canada's financials and, in turn, its stock.

As the year progresses, I expect to see a strong sequential improvement in Air Canada's top line and capacity. The gradual pickup in air travel demand and Air Canada's lower-cost base position it well to benefit from the airline industry's recovery. Further, continued momentum in the air cargo business should support its revenues in the coming years. Air Canada stock is still trading at a significant discount compared to the pre-pandemic levels and looks like an attractive long-term play.

Well Health

I am bullish on **WELL Health Technologies** ([TSX:WELL](#)) and expect the company to outshine the benchmark index by a significant margin in the long term. The company's services revenue is growing at a breakneck pace, driving its gross profits higher.

I believe the favourable industry trends, recent acquisitions, growing scale, and expansion of the electronic medical records business globally could continue to lift its stock higher. Meanwhile, its expansion in the high-growth U.S. market and robust acquisition pipeline augur well for future growth. Well Health stock has surged about 400% in one year. However, the recent correction presents a good entry point.

Goodfood Market

Goodfood Market ([TSX:FOOD](#)) could continue to deliver sky-high returns on the back of growing demand for online grocery services. The company continues to experience higher adoption of its e-commerce grocery and meal solutions offerings, as reflected through the stellar growth in its active subscriber base.

Goodfood Market's increased delivery speed, the launch of same-day delivery services, cross-selling efforts, promotions and targeted marketing, and expansion of product offerings bode well for future growth and position it well to capitalize on the favourable industry trends. Its stock has corrected by about 29% year to date, providing a solid [buying opportunity](#) for long-term investors.

Absolute Software

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) stock has nearly doubled in one year. I expect the uptrend to sustain in the coming years, reflecting favourable industry trends and higher spending on cybersecurity threats.

The company's growing annual recurring revenues, robust product pipeline, and continued customer additions strengthen my bullish view. Further, a large addressable market, global expansion, and strong balance sheet augur well for growth. Moreover, Absolute Software stock looks [undervalued](#) compared to peers and has strong growth catalysts that could support the rally in its stock.

Suncor Energy

Shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) have recovered some of its losses. However, it continues to trade low compared to the pre-pandemic phase. I believe long-term investors should snap up Suncor Energy stock at the current levels.

The recovery in demand, higher volumes and prices, and Suncor's integrated business positions it well to deliver strong revenues and margins in the coming quarters. A favourable product mix shift and its lower cost base are likely to cushion its earnings and, in turn, its future dividend payments and share buybacks.

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1. Coronavirus
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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:ABST (Absolute Software)
3. TSX:AC (Air Canada)
4. TSX:FOOD (Goodfood Market)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:WELL (WELL Health Technologies Corp.)

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