3 Canadian Stocks Under $100 to Buy Now

Description

It's been a strong start to the year for Canadian stocks. The **S&P/TSX Composite Index** is nearing a gain of 10% since the beginning of 2021.

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The hot start hasn't been without high levels of volatility, though. All the question marks surrounding the country's reopening plan have created wild price swings through the first three months of the year.

The volatility might create uneasiness for investors, but it also creates buying opportunities. Long-term investors have had several opportunities this year to pick up shares of top Canadian stocks at a discount.

For less than $100, you can pick up shares of any of these three Canadian stocks right now.

In Canadian tech stocks, we trust

Tech stocks led the way for growth investors in 2020. The pandemic amplified the importance of technology in our lives, as Canadians across the country were spending more time than ever in their homes.

But as prices soared of the growth stocks, so did valuations. Canadian investors have been showing through 2021 that valuations are getting to be a bit stretched, which has caused a steep sell-off through the tech sector over the past few months.

Short-term traders might be bailing on top Canadian stocks, but that allows us, long-term Foolish investors, to pick up shares of market-leading companies at a discount.

Two top tech stocks that are on sale

Docebo (TSX:DCBO)(NASDAQ:DCBO) and **Dye & Durham** (TSX:DND) are two Canadian stocks that had great runs in 2020 but are on sale right now. In terms of valuation, shares of neither company are cheap, but they are trading below all-time highs and at share prices less than $100.

Docebo saw a massive rise in 2020 during the pandemic, as remote work became the norm for many employees. Demand for the company's cloud-based training platforms understandably skyrocketed, leading to a gain of more than 300% in 2020 alone.

At a price-to-sales (P/S) ratio of 30, shares are far from cheap. But the tech stock is trading close to 30% below all-time highs right now.

Dye & Durham is another growth stock that saw monster gains in 2020. The company only joined the **TSX** in July 2020 but managed to end the year with gains of more than 200%.

Similar to Docebo, shares of this Canadian stock are not cheap. The stock is trading at a lofty P/S ratio of close to 35 today.

Valuations of these two Canadian stocks are high, but the growth potential is certainly there. If you're looking for market-crushing growth over the next decade, you're going to need to pay a premium.

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Canadian bank stocks are soaring

While tech stocks crushed the market in 2020, bank stocks lagged. The Big Five all trailed the Canadian market last year, as the low-interest-rate environment took a major hit on the banks.

Through the first three months of 2021, investors have seen a rotation out of growth stocks and into value plays.

The Canadian banks were very undervalued coming into 2021, but even after the recent run, I still think they are reasonably priced.

At a market cap of $150 billion, **TD Bank** (TSX:TD)(NYSE:TD) is Canada's second-largest bank. The bank also has a strong presence in the U.S., ranking in the top-10 based on total asset size.

Year to date, shares of the Canadian stock are up a market-beating 15%. While that growth is impressive, it's not the only reason I've got the bank on my watch list.

TD Bank owns a top dividend yield, and, as I mentioned earlier, I still think shares are undervalued. The Canadian stock is trading today at a forward price-to-earnings ratio of barely over 10. I wouldn't bank on TD continuing this growth for the rest of the year, but at this price, value investors have a good chance to earn market-beating growth over the long term.

CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

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3. DCBO
4. Docebo
5. docebo stock
6. Editor's Choice
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8. growth investing
9. growth stocks
10. TD
11. TD Bank
12. tech stocks
13. technology
14. value investing
15. value stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:DCBO (Docebo Inc.)
4. TSX:DND (Dye & Durham Limited)
5. TSX:TD (The Toronto-Dominion Bank)

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