3 Top Canadian Stocks Under $7 to Buy Now

Description

For long-term investments, buying undervalued stocks is a great strategy. You keep an eye out for promising companies and buy their stocks as soon as they fall below a pre-decided threshold. But that's not the only strategy. When you are working with limited capital, the *number* of shares you can buy might also be a variable worth considering.

And if you want to buy a relatively higher number of shares with relatively limited capital, you might have to look into stocks with low valuations, usually in the single digits. If you are looking for good stocks trading under $7 per share, there are three that should be on your radar.

A food stock

Rogers Sugar (TSX:RSI) is a holding company made up of Lantic and Rogers with a deep-rooted history. The company has been "sweetening" the life of Canadians since 1888. It has gone through several evolutionary phases to become Canada's premier sugar distribution company. In 2020, it also held the distinction of being the number one maple syrup producer in the world.

Thanks to its merger with Lantic, Rogers can now offer a much broader range of products. The company is currently trading at a price of $5.5 per share. It has been a steady dividend payer for some time now and currently offers a generous yield of 6.4%. It also has a 10-year CAGR of 7.8%.

You might not want to add this stock for its relatively modest long-term growth prospects, but it's a promising dividend stock and a bargain at its current price.

A tech company

If relatively consistent growth is what you are looking for, then **Sangoma Technologies** (TSXV:STC) might be worth looking into. The stock is trading at $4.27 per share, which is a 17% discount from its yearly peak. But the company is still overpriced, which is natural for a growth stock with its pace. It grew its investors' capital by over 250% in the last three years alone and currently has a 10-year

CAGR of 24.6%.

The Markham-based company is in the business of office communication, networking, and cloud. It offers Voice Over IP (VOIP) products and solutions, and its clientele includes names like Dominos and Spotify. The revenues and profits are keeping pace with the stock growth, and the company has a rock-solid balance sheet.

It's a compelling growth bet you can make for under $7.

A Bitcoin company

Relatively risky small bets are significantly better than rather risky expensive bets. And if you want to make a small bet (albeit risky) bet in the hopes of significant returns, **Bitfarms** (TSXV:BITF) might be one place you might consider "sowing" your capital. It's trading at $6.2 per share and is aggressively overpriced. But it also comes with great growth promise.

The stock has grown over 160% this year alone, and the growth is in four digits if we stretch back farther. The company is rising in resonance with Bitcoin and might not see a significant dip until Bitcoin sees one. The company is currently trading on the OTC in the U.S., but it has applied to the NASDAQ, and if it starts to trade on the tech-heavy exchange, the stock might see an additional boost in the market value.

Foolish takeaway

Even below $7, you can find stocks for almost every kind. You can find consistent dividend stocks with generous yields supported by reliable revenues. You can find steady growth stocks, as well as rapid growers that might pay off big. If you are working with limited capital, buying a decent number of relatively cheap stocks might be better than buying only a handful of expensive stocks.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:RSI (Rogers Sugar Inc.)
2. TSX:STC (Sangoma Technologies Corporation)

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