



Got \$1,000? You Can Buy Over 100 Shares of This TSX Stock

Description

Should Canadians, especially young professionals, hold off investing if the capital is only \$1,000? Investing in the stock market is always incremental. Beginners [start small](#) and grow the portfolio bit by bit. Hence, meagre seed money shouldn't discourage you from investing in stocks. The money is enough to make a single stock purchase.

On the Toronto Stock Exchange, your \$1,000 can buy 180 shares of a publicly listed company. The current share price of **Rogers Sugar** ([TSX:RSI](#)) is only \$5.55. Furthermore, you get the most bang for your buck, because the consumer-defensive stock also pays a generous 6.45% dividend.

For income investors, the [yield is super attractive](#). A \$50,000 investment will generate \$3,225 in passive income. Hold the stock and keep reinvesting the dividends. The capital will compound 349% to \$174,535.32 in 20 years.

Sweet history

Sugar production is a low-growth but stable business, because it's a consumer staple. Rogers Sugar has a market capitalization of \$574.63 million and is fully Canadian owned. The operating entity, Lantic Inc., is the result of the merger between Lantic Sugar Limited and Rogers Sugar Limited.

Following a reorganization, Rogers Sugar now owns all outstanding shares of Lantic Inc. The state of affairs or conduct of the business hasn't changed from 125 years ago. Lantic operates cane sugar cane refineries in British Columbia, Montreal, Quebec, and Vancouver. A sugar beet factory is in Taber, Alberta.

Rogers Sugar is Canada's largest refined sugar distributor. The company offers a full range of all-natural, high-quality sugars in varying crystal sizes. Aside from sugar, it carries authentic maple syrup products for industrial and retail markets.

Optimistic business outlook

Management will present Rogers Sugar's Q2 fiscal 2021 earnings results on May 6, 2021. For the first quarter, revenue and sales volume are noticeably improving. The company reported a 7% increase in revenues. While the sugar volume (metric tonnes) rose by only 1.1%, maple syrup (thousand pounds) increased by 16%.

Meanwhile, adjusted EBITDA during the quarter increased by \$0.8 million versus the same quarter in fiscal 2020. Management remains optimistic the company's sugar, and maple business segments will do better in fiscal 2021, notwithstanding the market uncertainty. Rogers Sugar expects healthy volume growth in both segments.

For the full year fiscal 2021, the sales volume of sugar should be around 776,000 metric tonnes, or 15,000 more tonnes than in fiscal 2020. With new export quotas and resumption of deferred beet shipments to Mexico, export volumes should increase by about 5,000 metric tonnes this year.

Start the journey to wealth

\$1,000 in capital is a small sum indeed, but it's well worth investing when you can buy 180 shares and partake of a hefty dividend. While it won't make you rich, the money will grow by increments every time you add more shares or reinvest the dividends.

More TSX stocks are trading under \$10. However, Rogers Sugar appears to be the most logical choice. Taking a \$1,000 position today could be the start of your journey to financial independence or financial security in the future. As mentioned, sugar is a low-growth business but more stable and enduring compared to other businesses. Life won't be as sweet without sugar or even maple syrup.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:RSI (Rogers Sugar Inc.)

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