



4 of the Best Under-\$30 Canadian Stocks to Buy Right Now

Description

Investing in stocks is easy and one of the cheaper ways to build wealth in the long run. For instance, you do not need a large sum of money to start investing. A small but regular investment in top TSX stocks could help generate stellar returns in the long term. So, if you plan to start investing, here are four stocks that could deliver outsized returns in the coming years. Furthermore, these Canadian stocks are trading under \$30.

Air Canada

The persistence of the COVID-19 and uneven vaccine distribution continues to hurt advance ticket sales and indicates that **Air Canada** ([TSX:AC](#)) stock could have a bumpy ride in the short term. Despite the dip in demand and limited operating capacity, I am bullish on the long-term prospects of Air Canada.

I believe the easing of travel restrictions could give a significant boost to Air Canada's financials. Further, the wide availability of the vaccine in the latter part of the year is likely to lead to a solid sequential improvement in its financial and operating performance. I expect to see a sharp decline in its net cash burn and operating losses. Meanwhile, its top line is expected to improve, reflecting a revival in demand and strong momentum in the air cargo business.

Suncor Energy

Shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) have witnessed a strong recovery in the last six months and have appreciated about 51%, reflecting a gradual pickup in demand. Despite the strong growth, I believe long-term investors should [snap up Suncor Energy](#) at the current levels, as economic expansion, recovery in energy demand, and higher average prices could significantly lift its stock.

Besides higher prices, increased production volumes, its integrated assets, lower cost base, and focus on a reduction in its debt position it well to deliver strong revenues and margins. Further, it is likely to enhance its shareholders' returns through regular quarterly dividend payments and share buybacks.

AltaGas

AltaGas ([TSX:ALA](#)) witnessed strong buying in its stock and is up about 43% in six months. The economic reopening, continued momentum in its regulated utility assets, and high-growth midstream business drove its cash flows and, in turn, its stock price. The utility company projects its 2021 EBITDA and EPS to grow by 12% and 20%, respectively, which indicates the strength of its business.

I believe the continued growth in its rate base, the addition of new customers, and cost efficiencies are likely to drive AltaGas's profitability and its dividends. Furthermore, higher exports in the midstream business are likely to accelerate its growth rate.

Algonquin Power & Utilities

Algonquin Power & Utilities's ([TSX:AQN](#))([NYSE:AQN](#)) low-risk and high-growth business helps it to deliver [stellar returns](#) consistently. The company's regulated assets help it generate predictable and growing cash flows that support its growth initiatives and drive higher dividend payments.

I believe the double-digit growth in its rate base, long-term contracts, and expense management are likely to drive solid growth in its adjusted EBITDA and earnings. Further, the company could continue to hike its dividends at a healthy pace, thanks to its high-quality earnings base and predictable cash flows.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AC (Air Canada)
4. TSX:ALA (AltaGas Ltd.)
5. TSX:AQN (Algonquin Power & Utilities Corp.)

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