3 Amazing Canadian Stocks I'd Buy Under $50 for 2021

Description

The economic expansion, uptick in demand, vaccination, and corporate earnings growth provide a strong underpinning for growth in some of the top Canadian stocks listed on the **TSX Index**. Here we'll focus on three such stocks that could deliver stellar returns in 2021 and beyond. Furthermore, these Canadian stocks are trading cheap (under $50), providing a solid opportunity for investors to own high-quality stocks even with a lower amount.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is among the top under $50 stocks that should be a part of your portfolio. The stock is poised to deliver stellar returns in 2021 and beyond, thanks to the recovery in demand, higher mainline volumes, and continued strength in its core business. Its diverse revenue streams, strong momentum in the gas business, and growth opportunities in the renewable power segment position it well to deliver robust cash flows.

Furthermore, higher asset utilization rate, cost efficiencies, and new growth projects are likely to drive its high-quality earnings, and in turn, its dividend payments. It has regularly paid and raised dividends by about 10% annually since 1995 and offers a stellar yield of 6.9%. At the current price levels, I find Enbridge a highly attractive long-term bet.

Suncor Energy

I have said earlier that I am bullish on **Suncor Energy** (TSX:SU)(NYSE:SU) and expect it to deliver outsized returns in 2021 on the back of higher demand and an increase in crude prices. Notably, shares of the energy giant are up over 33% year to date, and I expect the uptrend to continue. Furthermore, its stock is trading cheaper than its pre-pandemic levels, providing a solid opportunity for investors to go long.

The increase in economic activities and ongoing vaccination are driving the demand and average prices of crude oil. I believe Suncor's integrated assets position it well to capitalize on favourable industry trends and deliver solid operating and financial performance. Further, its low-cost base and investments to strengthen its sales channels augur well for future growth. Also, Suncor is expected to enhance its shareholders’ returns through share repurchases and regular dividend payments.

Dye & Durham

Shares of **Dye & Durham** (TSX:DND) have corrected by about 20% this year, providing investors with an excellent opportunity to buy and hold this high-growth company for the long term. Dye & Durham continues to drive its revenues and adjusted EBITDA at a breakneck pace. It delivered revenue growth of 300% during the most recent quarter. Further, its adjusted EBITDA soared 267%.

The company’s strong financial and operational performance is backed by its ability to acquire and integrate businesses. I believe its strong acquisition pipeline, momentum in the base business, geographic growth, and product expansion could continue to drive its top line at a robust pace. Further, new client additions, high retention rate, and up-selling opportunities bode well for future growth.

Dye & Durham focuses on diversifying its revenue base and projects its adjusted EBITDA to grow more than five times in two years (from $36.7 million in 2020 to $200 million in 2022). Its solid base business, strategic acquisitions, and high growth rate could continue to drive its stock higher.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:DND (Dye & Durham Limited)
4. TSX:ENB (Enbridge Inc.)
5. TSX:SU (Suncor Energy Inc.)

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Date
2025/08/20
Date Created
2021/05/13
Author
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