3 of the Best Under-$50 Canadian Stocks to Buy Right Now

Description

One of the best ways to build long-term wealth is to invest in quality stocks. You can start with a small sum of capital and regularly purchase stocks that have the potential to generate outsized gains. Here, Canadian investors can take a look at three lower-priced stocks on the TSX that are trading below $50.

Enbridge

The first stock on my list is **Enbridge** (TSX:ENB)(NYSE:ENB), which is one of the most diversified energy companies in North America. ENB stock is trading at $46.56 a share, which indicates a forward yield of 7.1%.

Despite volatility in commodity prices since the onset of the COVID-19 pandemic, Enbridge has managed to increase dividends this year. Since 1995, the TSX giant has increased dividends at an annual rate of 10%. Enbridge's cash flows are contracted or regulated, and it expects to increase cash flows between 5% and 7% through 2023, which suggests further dividend increases are on the cards.

The company continues to increase its base of cash-generating assets and aims to expand its renewable energy portfolio in the upcoming decade. Enbridge will continue to grow beyond its existing portfolio of 23 onshore and offshore wind farms in Europe, driven by the shift towards clean energy solutions. The Joe Biden administration has outlined a goal to create 30 gigawatts of offshore wind capacity in the U.S. by 2030.

Algonquin Power & Utilities

One dividend-paying growth stock on the TSX is **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN). It owns and operates a portfolio of regulated and non-regulated utility assets in Canada, the U.S., Chile, and Bermuda. AQN generates and sells electrical energy through non-regulated renewable and clean energy power-generation facilities. It owns and operates hydroelectric, wind, solar, and thermal facilities with a generating capacity of 2.1 gigawatts.

AQN stock is trading at $18.53 per share, indicating a forward yield of 4.5%. It derives around 33% of its income from renewable energy and the rest from rate-regulated electric, gas, and water utility business. Its robust business model has allowed Algonquin to increase dividends at an annual rate of 10% in the last decade.

Between 2021 and 2025, the company expects to grow adjusted earnings between 8% and 10% annually. It also plans to invest over $9 billion in capital expenditures, of which $3.1 billion will be deployed in the renewable energy segment.

Air Canada

With the vaccination rollout gaining pace in Canada, it might be time to consider recovery stocks such as **Air Canada** (TSX:AC). While the airline companies were hit hard amid the pandemic, the global economy might reopen by the end of the year driving shares of Air Canada and peers higher.

Air Canada stock is trading at $26 per share, which is 50% below its record highs. It was one of the top-performing stocks on the TSX in the decade prior to the COVID-19 pandemic. The company also reported 27 consecutive quarters of profits before Q2 of 2020. Air Canada has now posted a net loss in four consecutive quarters, and in the first quarter of 2021, its net loss stood at $1.30 billion, which meant the company burnt around $14 million each day.

It remains a top bet for contrarian investors if the company can turn profitable by Q4 of 2021.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AC (Air Canada)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/09/14
Date Created
2021/05/18
Author
araghunath