



The 5 Best (UNDER-\$30) Canadian Stocks to Buy Right Now

Description

Investing in stocks is easy and does not require a large sum of money to buy high-quality companies. Investing regularly, even a small amount, can help generate strong returns over time. I have shortlisted five Canadian stocks that are trading cheap (under \$30) and have strong growth potential.

Air Canada

The resurgent virus, lower advance bookings, and travel restrictions could continue to hurt **Air Canada** ([TSX:AC](#)) stock in the near term. However, Air Canada remains attractive long term and is likely to benefit significantly from the recovery in air travel demand.

I believe the acceleration in the pace of vaccine distribution and the easing of travel restrictions could significantly boost Air Canada's financial and operating performance. I expect a sharp improvement in Air Canada's top line on the back of revival in demand and continued momentum in the air cargo business. Net cash burn and operating losses are also expected to decline and support the uptrend in its stock.

Suncor Energy

Shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) covered some of its lost ground and appreciated about 51% in the last six months, reflecting a gradual pickup in oil demand. Despite the recent growth, I see [further upside](#) in Suncor stock, as increasing economic activities, improving energy outlook, and higher average prices provide a solid base for future growth.

Furthermore, Suncor's integrated assets, increased production volumes, and focus on debt reduction position it well to deliver strong financials in the future. Thanks to the improving operating environment, Suncor could continue to bolster shareholders' returns through regular quarterly dividend payments and share buybacks.

Cineplex

Like Air Canada, **Cineplex** ([TSX:CGX](#)) continues to take a hit from the resurgence of the virus, while its stock has lost a significant amount of value. Barring near-term challenges, I expect Cineplex to deliver stellar returns in the long run, reflecting a recovery in demand. The ongoing vaccination and reopening of the theatres could give a massive boost to Cineplex's financial performance.

I believe Cineplex's revenues and capacity could improve significantly once the economy returns to normalcy and theatre traffic improves. Currently, the stock is trading cheap and offers excellent value for long-term investors.

AltaGas

AltaGas ([TSX:ALA](#)) stock has witnessed strong buying recently and has jumped about 66.6% in one year. Despite the recent run-up, I believe the utility company has solid growth prospects ahead, supported by the economic reopening and continued momentum in its regulated utility assets.

Its high-growth midstream business is expected to deliver robust cash flows, reflecting higher export volumes. Meanwhile, 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. The company projects its 2021 EBITDA and EPS to grow by 12% and 20%, respectively, which indicates the strength of its business.

Kinross Gold

Kinross Gold ([TSX:K](#))([NYSE:KGC](#)) stock is an attractive [long-term bet](#) trading under \$30. It reported solid 1Q results recently, wherein its revenues rose 12% year over year, while its adjusted earnings jumped 51% from the prior-year period.

I believe the company's strong fundamentals, higher production volumes, and lower costs position it well to deliver robust earnings and cash flows ahead, which could drive its stock. Also, its strong balance sheet and superior exposure to gold bode well for future growth. It is also trading cheap compared to peers. Its next 12-month EV-to-EBITDA multiple of 4.9 reflects a significant discount to its peers. Meanwhile, Kinross Gold offers a decent dividend yield of about 1.5%.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. NYSE:SU (Suncor Energy Inc.)

3. TSX:AC (Air Canada)
4. TSX:ALA (AltaGas Ltd.)
5. TSX:CGX (Cineplex Inc.)
6. TSX:K (Kinross Gold Corporation)
7. TSX:SU (Suncor Energy Inc.)

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