



5 Top Canadian Stocks to Buy Under \$30 in May 2021

Description

It has been a rip-roaring year for many Canadian stocks. Suddenly, stocks that were previously adored by the market are now underperforming. Vice versa, stocks that have been beaten up for years, like energy, industrials, and metals, are now leading the **TSX Index** higher.

It just speaks to the importance of having a diversified portfolio with exposure to a variety of sectors. Considering many [dividend stocks](#) are trading near 52-week highs, here are five that still trade below \$30 per share today.

A natural gas utility

AltaGas ([TSX:ALA](#)) is a great bet on the economic recovery in the U.S. and abroad. This Canadian stock consists of an American regulated gas utility and a Canadian midstream export business. This stock is intriguing, particularly because it trades at a discount to similar peers.

However, this Canadian stock has been in the midst of a turnaround. It has re-focused operations and cleaned up its balance sheet. It is seeing very strong demand for propane export products in Asia, and its utility has ample organic growth ahead. Today, the stock trades at \$23 per share and pays a dividend yield of 4.2%.

A top Canadian telecom stock

Telus ([TSX:T](#))([NYSE:TU](#)) is a Canadian stock trading for around \$26 per share today. It pays an attractive 4.8% dividend. It just accelerated its 2021 capital spend by more than \$1 billion. This will enable Telus to extend fibre optic broadband across its entire network. That will also amplify the deployment of 5G more broadly across its network.

Come 2023, the company is set to [accrete significant free cash flow returns](#) from these investments. In addition, it is steadily growing its smaller digital verticals in virtual health, agriculture, and security. Not to mention it owns a large stake in **Telus International**. Telus is not just a telecom stock; it is

positioning to be a digital infrastructure leader for many years ahead.

Two Canadian real estate stocks operating in the U.S.

WPT Industrial REIT (TSX:WIR.U) owns and manages 102 industrial, warehousing, and logistics properties across America. Despite even the pandemic, this company performed with resilience. Occupancy is over 97% and rental rate growth has been increasing rapidly.

This REIT has a large development pipeline. Likewise, it manages a number of joint venture partnerships that are starting to accrete attractive cash-yielding returns.

Despite its very high-quality portfolio, WPT trades at a discount to other pure-play American industrial REITs. This Canadian stock trades for \$17 per share and pays a 4.4% dividend today.

BSR REIT ([TSX:HOM.U](#)) trades for around \$11.75 per share and has a juicy 4.3% dividend. It operates garden-style apartment properties in top population and economic growth districts like Austin, Dallas, and Houston. Over the past few years, it has been working to recycle its assets into newer, better located properties.

This is starting to pay off. Out of the pandemic, housing demand in these districts has been incredibly strong. Likewise, this business is supported by some of the strongest rental rate growth fundamentals it has seen in years.

Today, this Canadian stock trades at a large discount to peers, despite having better growth and asset comps than many. It looks to have substantial upside from here.

A high-yielding software stock

The last Canadian dividend stock to consider is **Sylogist** ([TSX:SYZ](#)). Unlike the above, asset-rich businesses, Sylogist is high-yielding technology stock. It trades for around \$14.50 per share today and pays an attractive 3.4% dividend.

The company provides software-as-a-service (SaaS) solutions for government, educational, and non-profit institutions. These are mission-critical operational solutions, so revenues are largely recurring and very sticky.

Sylogist garners very high adjusted EBITDA margins and consequently produces a ton of free cash flow. It just got a new management team that is looking to aggressively grow its business.

It just made an attractive acquisition that further expanded its presence in the United States. This Canadian dividend stock has a net cash balance. As a result, I think it is primed to continue growing through acquisition and also organically.

CATEGORY

1. Dividend Stocks
2. Investing
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TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:HOM.U (BSR Real Estate Investment Trust)
4. TSX:SYZ (Sylogist Ltd.)
5. TSX:T (TELUS)

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