



Got \$500? 2 Under-\$30 Stocks to Buy for June 2021

Description

One way to benefit from equity investing is by having a disciplined approach. You need to allocate a portion of your savings each month to buy quality stocks trading at a discount. For example, the TFSA (Tax-Free Savings Account) contribution room for 2021 is \$6,000. It makes sense to invest \$500 each month and benefit from dollar-cost averaging instead of allocating the entire sum of \$6,000 in one go.

So, where should you invest \$500 today? We'll take a look at two TSX stocks that should be on the radar of investors, as they have the potential to outpace the broader market in 2021 and beyond.

Barrick Gold

The first stock on my list is **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). A precious metals mining company, Barrick Gold, is down marginally year to date. However, the current uptick in gold prices warrants a closer look towards the stock, which is currently trading at \$28.8.

In Q1, Barrick Gold [reported an operating cash flow](#) of US\$1.4 billion and a free cash flow of \$800 million. Its copper revenue soared 31% year over year, while its net cash was up US\$500 million. This allowed the company to announce a quarterly dividend of US\$0.09 per share and a capital-distribution program totaling US\$750 million in 2021.

Barrick Gold is valued at a market cap of US\$51 billion. Wall Street expects the company's sales to decline by 2.7% to US\$12.25 billion in 2021 and rise by 1.2% to US\$12.39 billion in 2022. Analysts also expect earnings to rise at an annual rate of 6% in the next two years. The 12-month average price target of Barrick Gold stock is US\$29.5, which is 20% higher than its current trading price.

Air Canada

The airline industry is expected to recover in the second half of 2021, making stocks such as **Air Canada** ([TSX:AC](#)) the [perfect contrarian bet](#). Air Canada stock is down 47% from record highs, and while air traffic might not reach pre-COVID-19 levels in the next two years, airline stocks should gain

momentum on the back of improving profit margins and rising revenue.

The rollout of vaccinations is picking up speed in most developed countries, which will be a key driver for Air Canada stock and peers. The COVID-19 pandemic decimated the capital-intensive airline industry, as Air Canada sales fell from \$19 billion in 2019 to less than \$6 billion in 2020. In the last four quarters, Air Canada's revenue was even lower at \$2.84 billion.

While Bay Street expects Air Canada's sales to rise by 9% to \$6.35 billion this year, it might more than double to \$14 billion in 2022. This will allow the company to improve its bottom line from a loss per share of \$14.96 in 2020 to a loss of \$0.12 per share in 2022.

The Foolish takeaway

These are just two examples of TSX stocks that might gain momentum in June and end the year at a higher price. The article should be viewed as a starting point in your investment journey, helping you to identify similar stocks that are on the cusp of a turnaround.

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2. TSX:ABX (Barrick Mining)
3. TSX:AC (Air Canada)

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