



5 Top Canadian Stocks to Buy Under \$50 in June 2021

Description

The **S&P/TSX Composite Index** keeps hitting new highs, and Canadian stocks are thriving right now. However, if you are looking for some stocks that still have room to run in 2021 and beyond, here are five stocks that are attractively priced below \$50 per share today.

Pembina Pipeline

If you are still looking for a substantial dividend yield but capital upside as well, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) looks interesting. It is one of Canada's largest pipeline and midstream processing businesses. With oil prices steadily moving higher, prospects for this business continue to improve. Higher energy prices equal more oil production. This means higher processing/transportation volumes and better pricing margins for Pembina.

Pembina is [set for some meaningful organic growth](#) in 2021. Yet it also has its sights set on a large "pipeline" (forgive the pun) of acquisition opportunities. These include **Inter Pipeline**, the Trans Mountain pipeline, and various LNG export opportunities. This Canadian stock pays a 6.25% dividend, but given its prospects, there is a lot of room for recovery.

Suncor: A top Canadian energy stock

For a little bit more leverage to the "energy trade," Canadian investors could look at **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Suncor took the pandemic as an opportunity to reduce costs and streamline its integrated operations platform. When oil prices tick up (like they are), it can efficiently ratchet up oil production volumes at very little extra cost.

As a result, Suncor is producing billions of dollars of free cash flow every quarter. Rather than spending it building more production capacity, it is using the cash to reduce debt and buy back stock. This stock has lagged compared to many energy peers, and I believe it is due for a catch-up trade.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.A)(TSX:ATD.B) is another Canadian pandemic-recovery stock. While its convenience store business is perhaps not the most exciting, it has an exceptional record of delivering shareholder returns. In fact, since 2011, it has an EBITDA compounded annual growth rate of 22%!

This stock had a massive decline early this year due to a failed buyout of **Carrefour** in France. The market clearly got spooked about its growth prospects. Yet the company has a balance sheet primed for other acquisitions and organic initiatives.

It is already becoming a leader in EV charging stations in Europe. Regardless, in 2021, it has aggressively been buying back stock (over \$900 million worth), as it continues to unlock value for shareholders.

Telus International: A top Canadian growth stock

Telus International ([TSX:TIXT](#))([NYSE:TIXT](#)) completed its initial public offering (IPO) in February 2021. It provides leading digital customer experience solutions for some of the world's largest technology companies (Google is one of its largest customers).

Unlike its telecom parent, **Telus Corp.**, Telus International is growing rapidly. Since 2017, it has grown on average by about 40% a year. In its most recent quarter, it grew revenues, adjusted EBITDA, and adjusted earnings per share by 57%, 90%, and 229%, respectively.

It is not often you find [a stock that is fast growing](#) but also equally profitable. Considering this, I believe Telus International is one of Canada's most exciting growth stocks.

BSR REIT

If you are worried about inflation today, real estate is good investment to own. One Canadian stock that is pretty attractive is **BSR REIT** ([TSX:HOM.U](#)). Oddly, while TSX-listed, this stock operates 100% in the U.S.

It owns and operates garden-style apartment complexes in some of the fastest-growing sunbelt communities in America (like Dallas, Austin, and Houston). Over the past few years, this REIT has been rotating capital into newer, better-located assets.

As a result, BSR is well positioned to enjoy very strong rental rate growth for years ahead. Likewise, BSR has over \$200 million of dry powder to deploy into acquisitions this year. This stock pays a nice 3.9% dividend. It is undervalued to peers, so there is lots of upside ahead for this REIT.

CATEGORY

1. Investing
2. Stocks for Beginners

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TIXT (Telus International)
4. TSX:ATD (Alimentation Couche-Tard Inc.)
5. TSX:HOM.U (BSR Real Estate Investment Trust)
6. TSX:PPL (Pembina Pipeline Corporation)
7. TSX:SU (Suncor Energy Inc.)
8. TSX:TIXT (Telus International)

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Date

2025/08/23

Date Created

2021/06/17

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