3 Under-$50 TSX Stocks to Buy Today With $500

Description

The Canadian stock market continues to grow on investors' optimism over economic recovery and pick up in demand. Notably, several **TSX** stocks went through the roof and appreciated significantly in value.

However, plenty of stocks are still trading cheap and have solid growth potential to generate wealth in the long run. So if you have $500, consider buying these three cheap and high-growth TSX stocks that are trading under $50.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is one of the top TSX stocks that should be a part of your long-term portfolio. Enbridge has a low-risk utility-like business model that delivers robust cash flows and consistently rewards its shareholders with higher dividends.

Enbridge has generated average annual total shareholder returns of 15% from 1995 to 2020, thanks to its resilient business and its ability to generate solid adjusted EBITDA. I believe the continued momentum in its core business, strength in its gas distribution and storage business, a $16 billion secured capital growth program, and cost reduction measures could continue to drive its distributable cash flows, in turn, its dividends.

Besides, the recovery in mainline volumes, recovery in energy demand, improved productivity and cost-saving initiatives, and opportunities in the renewable business further strengthen my bullish view on Enbridge stock. Enbridge stock offers a high yield of 6.8%, which is very safe.

Cineplex

Cineplex (TSX:CGX) stock could deliver solid growth in the long term and is trading under $50. The stock has witnessed solid buying in six months and appreciated over 79%. Despite the recent run-up, I suggest investors buy and hold this stock at current levels, as it is still trading at a significant discount from its pre-pandemic levels.

I believe the entertainment company could gain big from the normalization of its operations and improvement in demand. Moreover, its financial performance is likely to improve significantly with the economic reopening.

The easing of lockdown measures and revival of consumer demand could drive Cineplex's revenues, capacity, and theatre traffic sequentially. Cineplex's net cash burn could trend lower in the coming quarters, while its profitability could show improvement and support the uptrend in its stock.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is another under $50 that should be on your radar to generate superior returns in the long run. The company has a low-risk business model and owns high-quality power-producing assets that drive solid earnings growth.

Thanks to its high-quality earnings and cash flows, the utility company has consistently enhanced its shareholders' returns through higher dividend payments. The utility company has raised dividends by 10% annually in the last 11 years and offers a dividend yield of 4.4%.

I anticipate the company to continue to deliver solid total shareholders returns in the future on the back of its long-term contractual agreements. Its rate base growth could increase at a double-digit rate, accelerating its adjusted EBITDA and earnings growth.

Meanwhile, its solid balance sheet, expense management, and growth opportunities in the renewable power business bode well for future growth.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

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

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Date
2025/08/26
Date Created
2021/06/21
Author
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