Got $1,000? 3 Top Canadian Stocks to Buy With it

Description

If you want your $1,000 to multiply, don't leave it idle. Invest the money in the stock market. Canada's main stock index keeps posting new records, as crude prices trend higher. The investing ground is very fertile. In time, your harvest from the meagre seed capital could be significant.

Frugal investors can purchase dividend stocks that trade at less than $10 but pay decent yields. The attractive options today are **Extendicare** (TSX:EXE), **Dexterra Group** (TSX:DXT), and **Enerplus** (TSX:ERF)(NYSE:ERF). All three are also steady performers in 2021.

Enduring the pandemic

The long-term-care (LTC) industry suffered severely in 2020 due to the global pandemic. Extendicare is a known provider of quality care and services for seniors across Canada. The $748.74 million company offers services such as LTC, retirement living, and home health care. It operates 69 LTC homes and retirement communities.

Extendicare had to overcome serious challenges in 2020 and continues to feel the ill effects of COVID-19. However, notwithstanding the extensive outbreaks in the second wave, revenue, and net operating income (NOI) increased 28% and 33% in Q1 2021 (quarter March 31, 2021) versus in Q1 2020.

However, the 82.9% occupancy rate during the quarter is far lower than the 97% from a year ago. The share price fell below $6 in mid-January but has recovered since. As of June 17, 2021, Extendicare trades at $8.96 (+39% year to date) and pays a generous 5.74% dividend.

Business resiliency

Dexterra, which is in the engineering and construction industry, engages in facilities management and operations. The $433.36 million company also helps resource and construction companies operate. Thus far, in 2021, the industrial stock is up 4% year to date. At $6.66 per share, the dividend yield is 4.44%.

Despite the economic downturn in 2020, Dexterra reported solid numbers for the full year (year ended December 31, 2021). Total revenue increased by 83% compared to 2019, while net earnings soared 593%. In Q1 2021 (quarter ended Mach 31, 2021), the financial results were equally impressive.

Management reported revenue and net earnings growth of 157% and 367% versus Q1 2020. Dexterra's financial results reflect business resiliency in the face of adversities. The company caters to 10 vital industries from aviation and energy and resources to education and social housing.

High flyer

Enerplus has risen by 120% since the start of 2021. At $8.86 per share, the energy stock pays a 1.49% dividend. Market analysts recommend a buy rating and forecast a potential upside of 59% to $14 in the next 12 months. The modest payout plus the capital gain should increase the overall return.

The $2.11 billion independent oil and gas company develops high-quality assets in North America. Enerplus also benefits from the increasing oil demand this year, as evidenced by stellar results in Q1 2021 (quarter ended March 31, 2021). As a result, its adjusted net income increased by 167% versus Q1 2020.

Ian C. Dundas, Enerplus president and CEO, describes the quarter as a constructive start to the year for the company. He also mentions two strategic acquisitions that should support continued operational efficiencies. Management estimates average annual production this year to be between 111,000 and 115,000 BOE/day.

Noteworthy investments

The three dividend stocks are worthy of consideration by income investors. Their respective business outlooks in the recovery phase are bright. Your $1,000 investment will go a long way and multiply over time.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ERF (Enerplus Corporation)
2. TSX:DXT (Dexterra Group Inc.)
3. TSX:ERF (Enerplus)
4. TSX:EXE (Extendicare Inc.)

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