



The 3 Best Under-\$30 Canadian Stocks to Buy Right Now

Description

As the Canadian stock market recovered rapidly from the pandemic-led selloff, you might be interested in high-quality stocks that are still attractively priced and are well within reach. While the recent buying has driven top Canadian stocks higher, there are plenty of fundamentally strong companies that are cheap and could deliver solid returns in the long term.

Here we'll focus on three such high-quality stocks that are priced under \$30 and have good growth potential.

Algonquin Power & Utilities

The first stock is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). The utility company owns a low-risk rate-regulated business with long-term contractual arrangements. Thanks to its contractual framework and rate base growth, Algonquin Power & Utilities has consistently delivered solid earnings and cash flows, which drove its stock higher and supported increased dividend payments.

Looking ahead, I expect Algonquin Power & Utilities' earnings to grow at a rapid pace on the back of its growing rate base, long-term power-purchase agreements, strategic acquisitions, and strength in the renewable power business. It projects its rate base to increase at a double-digit rate over the next five years, which is likely to drive meaningful growth in its profitability.

Thanks to its high-quality earnings base, the company hiked its dividend by 10% annually in the last 11 years. I expect the ongoing momentum in its base business and resilient cash flows to support its future dividend payouts.

Shares of Algonquin Power & Utilities have reversed some of its gains and offer a dividend yield of 4.4% making them an attractive long-term pick.

Air Canada

Air Canada ([TSX:AC](#)) stock has recovered most of its losses on hopes of a revival in air travel demand amid vaccine distribution. I believe the stock has significant upside potential and could rebound to pre-

COVID levels once the air travel demand returns to normal.

While it would not be fair to expect a complete turnaround in its operations in the near term, but the airline giant's revenues and capacity could improve significantly in the coming quarters due to the ongoing vaccination.

I believe the uptick in air travel demand and reopening the international borders could boost its revenues significantly. Moreover, its cash burn could go down. Another bright spot is its air cargo business, which is growing rapidly and diversifies its revenue base. Air Canada stock is available at a discount is an [excellent long-term buy](#) at current levels.

AltaGas

AltaGas ([TSX:ALA](#)) is another [excellent stock](#) for investors looking for stocks priced under \$30 with solid growth potential. The stock has witnessed solid buying in one year and has gained over 75% on the steady economic recovery and improved energy demand.

I expect the uptrend in its stock to continue on the back of rate base growth, which could drive its adjusted EBITDA and earnings. Further, customer additions and higher export volumes in the midstream operations support my bullish outlook.

Thanks to its balanced business and ability to generate solid earnings and cash flows, AltaGas has regularly paid a solid monthly dividend. Moreover, it offers a healthy yield of 3.8% at current price levels.

CATEGORY

1. Coronavirus
2. Dividend Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AC (Air Canada)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks

Date

2025/07/01

Date Created

2021/07/08

Author

snahata

default watermark

default watermark