3 Cheap TSX Stocks to Buy With $100

Description

The fluctuations in the stock market continue to create a solid investment opportunity for investors with a long-term outlook. While several **TSX** stocks have risen significantly in value, a few high-quality stocks have shed some of their gains and are attractive bets at current price levels. Furthermore, economic recovery and improving profit outlook are likely to push these stocks higher.

Let's focus on three such cheap TSX stocks that could deliver solid returns in the long term. Notably, one can buy these three stocks for $100.

Air Canada

Air Canada (TSX:AC) stock remains a top recovery play that could deliver strong returns in the medium to long term. While Air Canada stock appreciated on hopes of a revival in air travel demand amid ongoing vaccination, it corrected over 14% in one month, providing a good buying opportunity.

I believe the accelerated pace of vaccination and easing of travel measures could drive demand and support its revenue and earnings. Further, the reopening of the international borders could significantly boost Air Canada's financials as it generates a considerable amount of its revenue and profits from the international segment.

I expect to see a reduction in its cash burn rate, while capacity could show improvement. Another bright spot is its growing air cargo business that could continue to support its revenue growth rate.

Air Canada stock is available at a significant discount from its pre-COVID levels. Meanwhile, improving fundamentals and revenue diversification make it an attractive long-term bet.

Suncor Energy

Suncor Energy (TSX:SU) is another attractive stock that is trading cheap and has strong growth potential. While Suncor stock has recovered some of its lost ground on the back of the stellar growth in commodity prices, it fell over 15% in one month and looks attractive at current price levels.

I believe Suncor's integrated assets, recovery in demand, and higher crude oil prices provide a solid underpinning for future growth. Like Air Canada, Suncor's financials could get a significant boost as its operations return to normal. Higher production, favorable product mix, improved pricing, and optimized inventory in the downstream business position it well to deliver impressive financial and operating performance.

Furthermore, its strategic investments, strong marketing, cost optimization, incremental free funds flow, and debt reduction augur well for future growth.

Apart from trading cheaply, Suncor Energy could continue to enhance its shareholders' value through share buybacks and dividend payments.

WELL Health Technologies

WELL Health Technologies (TSX:WELL) stock has appreciated significantly since it was listed on the TSX. For instance, it has rallied 1,540% in three years and over 4,661% since it got listed in June 2017.

Despite the stellar growth, I believe the stock could continue to deliver outsized returns in the future, reflecting its impressive financial performance and solid appetite for acquisitions. Further, the pullback in its stock presents a good buying opportunity.

WELL Health's top-line is growing at a breakneck pace owing to its rapidly growing software and services segment. The telehealth company has also delivered positive adjusted EBITDA in two consecutive quarters. I expect the momentum in its revenue and adjusted EBITDA to continue in the coming years.

Further, its solid organic growth opportunities, digitization of clinical assets, growing demand for telehealth services, cost-control measures, and robust cash flows bode well for future growth.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:AC (Air Canada)
3. TSX:SU (Suncor Energy Inc.)
4. TSX:WELL (WELL Health Technologies Corp.)

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