



5 Top TSX Stocks Under \$50 to Buy With \$5,000

Description

The strong buying post the pandemic-led selloff has put many Canadian stocks out of investors' reach. However, plenty of top **TSX** stocks are still trading cheap and are priced under \$50. So if you have \$5,000, consider adding these stocks to your portfolio today.

Goodfood Market

The first stock is **Goodfood Market** ([TSX:FOOD](#)). Shares of this online grocery services provider have witnessed a healthy pullback and are down about 23.2% on a year-to-date basis. Besides trading at an attractive price, Goodfood Market offers high-growth and has solid [growth catalysts](#) that could push its stock higher in the long run.

The growing adoption of online grocery services and increased spending on e-commerce platform provides a solid base for growth. Meanwhile, targeted marketing, growing product selections, strong competitive positioning, and focus on reducing delivery time are expected to drive its active subscriber base, order frequency, and basket size.

Absolute Software

Sticking with high-growth companies, **Absolute Software** (TSX:ABT)([NASDAQ:ABST](#)) is another solid [long-term bet](#) that is trading cheap. Acceleration in annual recurring revenues and solid adjusted EBITDA could support the uptrend in Absolute Software stock. Furthermore, a large addressable market and increased spending on cybersecurity threats augur well for future growth.

I believe its accelerating revenue growth, high retention rate, debt-free balance sheet, and channel and geographic expansion provide a solid underpinning for growth. Furthermore, cross-selling opportunities and new products could further support its growth and drive its stock higher.

Dye & Durham

The third stock is **Dye & Durham** ([TSX:DND](#)). It has appreciated significantly in value since listing on the exchange in July last year. Despite the rally, Dye & Durham stock has further upside, thanks to the continued momentum in the base business and its ability to accelerate its growth through strategic acquisitions.

I expect Dye & Durham's revenue and adjusted EBITDA to continue to grow rapidly, reflecting benefits from acquisitions and geographic expansion. Furthermore, its large and diversified active customer base, low churn rate, long-term contracts with major customers, and robust M&A pipeline support my bullish view and provide a solid base for outsized growth.

Algonquin Power & Utilities

Next on my list is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) stock. The company owns a low-risk business that delivers high-quality earnings and stellar cash flows. The company expects its rate base to grow at a double-digit rate in the coming years, which is likely to boost its adjusted EBITDA and earnings significantly.

Further, its rate-regulated assets and long-term contractual arrangements add visibility over its future cash flows. Algonquin Power & Utilities has raised its dividend at a compound annual growth rate (CAGR) of 10% in the last 11 years. I expect the company to continue to boost its shareholders' value through higher dividend payments.

Telus

The fifth stock on my list is **Telus** ([TSX:T](#))([NYSE:TU](#)). The telecom company could deliver solid returns on the back of its solid investments in broadband networks. Telus consistently generates profitable growth and continues to add new subscribers to its wireless businesses, which should favour the stock.

I believe strong net adds, investments in the 5G network and PureFibre, and strategic acquisitions position it well to deliver strong financial and operating performances in the coming years. Also, Telus could continue to reward its shareholders through increased dividend payments and share buybacks.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:TU (TELUS)
4. TSX:ABST (Absolute Software)

5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:DND (Dye & Durham Limited)
7. TSX:FOOD (Goodfood Market)
8. TSX:T (TELUS)

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