



Here Are 5 Canadian Stocks I'd Buy With \$500 Today

Description

With Canadian stocks trading near all-time highs, it can be hard to find attractive investment opportunities. Yet if you find high-quality stocks with great business fundamentals and long-term positive prospects, short-term valuations matter less.

Even now, with as little as \$500, you can [build a diversified portfolio](#) of quality companies. Here are five solid Canadian stocks I would buy for a starter portfolio today.

A Canadian dividend stock

Every portfolio should have some income exposure. If the market takes a turn for the worse, dividend income can still help ensure a constant, stable return. **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) is a great defensive stock with some attractive upside. It operates a diversified group of utilities and renewable power assets, largely across North America.

Over the next four years, it is investing \$9.2 billion to grow its rate base and expand its renewable power portfolio. From this, it should accrete 8-10% earnings per share growth annually. Today, it pays a well-covered 4.5% dividend, but that could easily grow by the same rate as earnings.

A Canadian value stock

Intertape Polymer ([TSX:ITP](#)) doesn't sound like the most exciting Canadian stock you have ever heard of. Yet, if I said this TSX stock is growing at the same rate as e-commerce in North America, your interest might be piqued.

It sells tapes, packaging, and wraps for a broad array of industries. Yet over the past few years, it has vastly expanded its e-commerce offerings. Stay-at-home trends last year saw its e-commerce-related sales surge. The company had one of its best years ever.

Today, it stands to benefit from continued e-commerce trends and the general reopening recovery in

industrial and retail business. This Canadian stock is one of the cheapest in its sector, yet it has an oversized growth rate. Hence, it is attractive right now.

A top GAARP stock

Calian Group ([TSX:CGY](#)) might be one of Canada's best growth-at-a-reasonable price (GAARP) stocks. It provides essential solutions in technology, healthcare, education, and IT for large institutional clients (like NATO and the Canadian military).

Each of its four operating segments are substantial businesses in their own right. Yet it has a great cash-rich balance sheet, which it can deploy to further diversify its solutions, geographic exposure, and customer mix.

Calian is growing both the top and bottom lines by about 20% a year. Yet it only trades with a price-to-earnings multiple of 17 times. This is a great Canadian stock to own for income, growth, and value.

A top TSX growth stock

The TSX has had a ton of IPOs in 2021, but **Telus International** ([TSX:TIXT](#))([NYSE:TIXT](#)) stands out from the rest. This Canadian [growth stock](#) provides digital experience solutions to large technology businesses across the world. TI is quickly becoming a leader in artificial intelligence (AI), computer vision, data analysis/annotation, and the internet of things.

Last year, TI grew revenues by 55%. This year, it expects to grow by 35% or more. Not only that, but it is highly profitable. It earns adjusted EBITDA margins near 25%! While not cheap, this company has a long growth runway ahead. The recent pullback is a great entry point.

A stock for every market

If I could only own one Canadian stock, it would probably be **Brookfield Asset Management** ([TSX:BAM.A](#))([NYSE:BAM](#)). With this stock, you get exposure to a broad array of top-quality hard assets like [real estate](#), infrastructure, renewables, and private equity. BAM is also working to diversify its fund mix into technology, debt assets, insurance, and impact investing.

BAM takes a contrarian approach, so when markets are strong it sells mature assets for top dollar. It then waits patiently and deploys capital when the economy is depressed. This model has created stable oversized returns for shareholders for years, and it will likely continue to do so going forward.

CATEGORY

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2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BN (Brookfield Corporation)

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5. TSX:BN (Brookfield)
6. TSX:CGY (Calian Group Ltd.)
7. TSX:ITP (Intertape Polymer Group)
8. TSX:TIXT (Telus International)

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