



3 Top Under-\$15 Canadian Stocks to Buy Right Now

Description

With July retail sales coming in lower-than-expected in the United States, investors fear a slowdown in economic recovery. Amid these concerns, the Canadian benchmark index, the **S&P/TSX Composite Index**, has corrected over 1.7% from its recent highs. Despite the rising volatility, I expect these three under-\$15 stocks to deliver superior returns over the next three years, given the favourable market environment and growth initiatives.

Aurora Cannabis

My first pick would be **Aurora Cannabis** ([TSX:ACB](#))([NYSE:ACB](#)), which has lost over 65% of its stock value from its January highs. The lower-than-expected [third-quarter performance](#) and weakness in the cannabis space have dragged the company's stock price down. However, the company's outlook looks healthy amid an expansion of the cannabis market due to increased legalization and rising usage of cannabis for medical purposes.

During the third quarter, the company's medical sales increased, while its recreational cannabis sales had witnessed a decline of 53% due to COVID-19 related challenges. Meanwhile, the company is looking to improve its recreational cannabis sales and has launched new products. Besides, it has also taken several initiatives to improve its efficiency, thus delivering \$60-\$80 million of annual savings over the next 12-18 months.

Aurora Cannabis is also planning to raise around US\$300 million, which could aid in making new acquisitions in the highly lucrative U.S. market. So, given its healthy growth prospects, I believe investors with three years of investment horizon can accumulate the stock for superior returns.

Absolute Software

Second on my list is **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)), which had posted a mixed second-quarter performance earlier this month. Its revenue beat analysts' expectations, while its EPS fell short of expectations by a considerable margin. The company's management had blamed a global

shortage of semiconductors and supply-chain disruptions due to COVID-19 for weak financials.

Meanwhile, the spending on cybersecurity is rising amid growth in remote working and learning culture, benefiting Absolute Software. The company has also launched Absolute Firmware Lock and focuses on extending and enhancing its other product offerings to minimize cyber attacks on its clients. Besides, Absolute Software acquired NetMotion Software last month, strengthening its position in the endpoint resilience market.

So, given its healthy growth prospects, [I am bullish on Absolute Software](#). Further, the company also rewards its shareholders with a quarterly dividend of \$0.08 per share, with its forward yield of 2.25%.

Converge Technology Solutions

Converge Technology Solutions ([TSX:CTS](#)), one of the top performers this year, has returned over 114% this year. Its strong performance in the first six months and aggressive acquisitions have driven its stock price higher. Its top-line has increased by 39.7% in the first six months, while its adjusted EBITDA has grown close to 80%. Meanwhile, the momentum could continue, given the favourable business environment and aggressive acquisitions.

Amid digitization, the demand for the company's products and services is rising. Besides, the company has acquired CarpeDatum, Accudata Systems, Dasher Technologies, REDNET, and ExactlyIT this year. Further, it is also focusing on acquiring Vicom Infinity and Infinity Systems Software. Meanwhile, the company had also strengthened its financial position by raising \$100 million through new equity offerings in July. The proceeds could allow the company to make future acquisitions. So, I expect the upward momentum in Converge Technology Solutions's stock price to continue.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NASDAQ:ACB (Aurora Cannabis)
3. TSX:ABST (Absolute Software)
4. TSX:ACB (Aurora Cannabis)

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