



## 5 Stocks Under \$50 to Buy in August 2021

### Description

August has been a little tepid for the recovery stocks, as the fourth wave of the pandemic created uncertainty around a complete reopening. Canada has some of the most stringent lockdown restrictions. Hence, investors got a little skeptical on the news of the fourth wave, pulling some recovery stocks down. But the fourth wave may not lead to any nationwide lockdown but area-wise lockdown, maybe a building or a factory.

The [bearish tone](#) on recovery stocks has created an opportunity to buy them at the dip, as they hold significant upside once the recovery stabilizes.

### Air Canada stock

**Air Canada** ([TSX:AC](#)) stock fell below \$24 for the first time since February, giving a perfect opportunity to buy the dip. On the technical front, the range-bound shares have support at \$24, and \$32 is the resistance. If there is a breach, shares are likely to return to its range, unless a major incident shifts the overall stock price range, as it did in November with the vaccination news.

I am bullish on AC, as the airline has the liquidity to survive recovery hiccups and reduce cash burn. The airline has factored in tepid recovery and does not expect air travel demand to normalize before 2022.

The lifting of air travel restrictions will help Air Canada operate at a higher capacity and reduce cash burn. The pent-up demand could drive AC stock to \$40 by 2022, representing a 65% upside. But you should not sell the stock on a dip, as there could be some ups and downs ahead for the share.

### Cineplex stock

Theatre chain **Cineplex** ([TSX:CGX](#)) stock has corrected more than 20% since July. But this is just the beginning. The stock will have to face the test of time, as it fights the pandemic losses. Cineplex opened all its 160 theatres across Canada on July 17 and served more guests than it did in the first six months of 2021. Its second-quarter earnings gave a glimpse of how a [recovery](#) will look. Given the stock's current trading price of little below \$13, there is more than 50% upside, as I expect the stock to

rally to its pre-pandemic average of \$20.

## Enbridge

Pipeline operator **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) saw a 5% correction in the stock price since the news of the fourth wave. This correction came after Enbridge reported strong earnings and maintained its full-year 2021 distributable cash flow guidance. This hints that it will continue its dividend-growth tradition for the 27th year in December. Enbridge's Line 3 project is currently in [dispute](#) with the environmentalists, but it is benefitting from increasing fuel demand, as travel demand recovers.

The news of the fourth wave raised concerns that fuel demand will fall again, sending the stock down. But Enbridge has accounted for these short waves and a tepid recovery in its 2021 guidance. Hence, any dip is an opportunity to buy and lock in a dividend yield of over 6.5%. The stock is trading at \$49 and could surge past \$53 as new projects come online.

## SmartCentres REIT

Canada's largest retail real estate **SmartCentres REIT** ([TSX:SRU.UN](#)) has proved its resilience even in the worst crisis. The pandemic rang the death knell for many brick-and-mortar shops, as several retailers went bankrupt due to lockdown. They vacated the shops, and that impacted SmartCentres's rental revenue. Despite the Canadian government's rent subsidy, several REITs cut dividends. But **Walmart** saved SmartCentres from any significant downside and helped it maintain dividends.

The REIT has been developing mixed-use properties, including residential and commercial. This helped it benefit from rising house prices. The REIT is trading at \$30 and can cross the \$33 price as more projects come online. Now is a good time to lock in a 6.15% lifetime dividend yield.

## Hive stock

If you believe in the future of crypto, **Hive Blockchain Technologies** ([TSXV:HIVE](#)) is a stock for you. This stock is as volatile as Bitcoin's price. After all, the company earns most of its revenue from the Bitcoin and Ethereum it has mined. But Hive is looking for other avenues in blockchain technology. If you can handle a 100% upside and 50% downside while holding the stock, it can give good returns.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Top TSX Stocks

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:AC (Air Canada)

3. TSX:CGX (Cineplex Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)
6. TSXV:HIVE (Hive Blockchain Technologies)

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## **Date**

2025/08/21

## **Date Created**

2021/08/24

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