



5 TSX Stocks to Buy With \$500

Description

Want to get started investing with \$500?

It might seem like a daunting task, but it can be done.

With just \$500 and a portfolio of growth stocks, you can grow your money over time. These days, there are plenty of brokers that charge no fees to trade, so the small starting amount needn't be any barrier to success. In this article, I'll go over five stocks you could consider adding to a \$500 portfolio.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is Canada's biggest company and most successful tech stock. It has risen 5,200% since its IPO in 2015. SHOP got a huge boost from the COVID-19 pandemic, which forced retail stores to close down. When stores closed, customers flocked to online vendors like the ones who host their stores on Shopify. That resulted in four quarters in a row of revenue growth above 90%. In the most recent quarter, growth decelerated to 56% but still beat analyst estimates. SHOP is actually down since the earnings beat, so now might be a time to buy.

Constellation Software

Constellation Software ([TSX:CSU](#)) is a [Canadian tech company](#) that has experienced explosive growth over the years. Since going public in 2006, it has risen 11,000% in the markets. That's thanks to a smart acquisition strategy by its founder Mark Leonard.

Leonard, a venture capitalist, buys up small- to medium-sized tech companies with established revenue. Then he grows them and finds synergies with CSU's established portfolio holdings. It's a relatively boring niche for a tech company, but it has worked: Constellation's most recent quarter showed solid growth in both revenue and earnings.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is [another TSX tech stock](#) that had a stellar quarter recently. In its most recent quarter, LSPD's revenue climbed by an incredible 220%. That's far better growth than Shopify in the same period. In fact, revenue growth *accelerated* in the quarter instead of decelerating. Lightspeed, which is in both retail and e-commerce, is admirably positioned for the COVID-19 situation. If the reopening continues, then LSPD will make money from retail POS. If we go back into lockdowns, its e-commerce sales will surge. Either way, Lightspeed wins.

CN Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is a long-time TSX favourite. Its stock has beaten the TSX index over the last decade but is down significantly this year. CNR stock behaved in a peculiar way in 2020 and 2021. In mid-2020, when earnings were tanking due to COVID-19, it rallied to new highs. In 2021, when the business began to recover and show double-digit growth, it tanked. It's pretty hard to figure out what Mr. Market is thinking here, but you have an opportunity right now to buy a quality business much cheaper than it was in January.

TD Bank

Last but not least, we have **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). This is one of Canada's best banks, boasting a huge U.S. retail business and a stake in brokerage kingpin **Charles Schwab**. It is the single largest owner of Schwab, America's biggest brokerage. In its most recent quarter, TD posted explosive growth in earnings (136%) and modest growth in revenue (1%). Of course, the earnings growth was mostly due to provisions for credit losses (PCL) being lowered — that was entirely expected. Still, with revenue growing modestly, it's clear that the bank is building back from the damage it took in 2020.

CATEGORY

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TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SCHW (The Charles Schwab Corporation)
4. NYSE:SHOP (Shopify Inc.)
5. NYSE:TD (The Toronto-Dominion Bank)
6. TSX:CNR (Canadian National Railway Company)
7. TSX:CSU (Constellation Software Inc.)
8. TSX:LSPD (Lightspeed Commerce)
9. TSX:SHOP (Shopify Inc.)
10. TSX:TD (The Toronto-Dominion Bank)

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