



The 4 Best Canadian Stocks to Buy With \$500

Description

Equity investors have witnessed one of the quickest recoveries in prices in history. Thanks to the improved operating environment and corporate earnings growth, most stocks listed on the TSX saw strong buying and recouped almost all of their lost ground over the past year. Even though the majority of stocks are trading near their highs, I see equities as the best investment option to build wealth in the long run.

So, if you plan to invest in stocks and can spare \$500, these are the four best options to bet on at current price levels.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) has consistently delivered superior returns. For instance, Enbridge delivered an average annual TSR (total shareholder return) of 15% from 1995 to 2020, which is encouraging. Its diversified revenue base, contractual framework, and strength in the core business are the reasons behind its outperformance.

Looking ahead, I am bullish on Enbridge and expect it to outpace the broader markets over the next decade. Improved energy outlook, secured capital program, rate escalation, momentum in the gas business, opportunities in the renewable segment, and cost optimization support my [bullish stance on the stock](#). Furthermore, investors could continue to benefit from Enbridge's robust dividend payouts.

Suncor Energy

Like Enbridge, a steep recovery in energy demand helped **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock rebound from its pandemic lows. However, the recent weakness in the crude price has led to an 11.4% decline in Suncor's share prices in one month. Nevertheless, I believe Suncor has solid long-term growth prospects and could deliver strong returns on the back of a favourable product mix, integrated assets, investments in the base business, and cost optimization.

Further, Suncor's focus on increased production, debt reduction, share buybacks, and dividend payments keeps me optimistic about the stock. Meanwhile, an increase in crude prices, higher

demand, and an uptick in economic activities provide a solid base for future growth.

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is a reliable stock for investors looking for income and growth in the long term. The stock has gained over 21% this year on improving operating environment. Furthermore, I expect the uptrend to sustain on the back of higher credit demand, diverse revenue streams, exposure to high-growth markets, acceleration in digital banking, and its growing scale.

I expect to see higher deposit volumes, improving efficiency ratio, and lower provisions in the coming years that could drive its profitability and, in turn, its stock price. Meanwhile, the bank's high-quality earnings indicate that Scotiabank could continue to pay higher dividends in the future years. Its stock is trading at a discount to peers and yields at 4.5% at current price levels.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is another attractive stock that has consistently [enhanced its shareholders' value](#) through higher dividend payments. Moreover, it has delivered stellar TSR over the past two decades. Notably, the company has increased its dividend for 47 years and expects to grow by 6% annually over the next five years. Meanwhile, rate base growth indicates that Fortis could deliver healthy returns in the coming years.

I believe its low-risk business and diversified and regulated utility assets could continue to drive its cash flows and dividend payments. Meanwhile, its focus on growing renewable power business and lowering of operational costs augur well for growth. Also, new growth projects and strategic acquisitions will likely support its growth.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:SU (Suncor Energy Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)
8. TSX:SU (Suncor Energy Inc.)

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Author

snahata

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