



Got \$5,000? Buy These 5 Under-\$50 TSX Stocks Right Now

Description

The recovery in corporate earnings and steady improvement in the economy continues to push Canadian stocks higher. As the macro environment remains favourable, I remain bullish on equities and expect the uptrend to sustain.

So, if you plan to invest \$5,000 in stocks, consider buying the shares of these top Canadian companies that are still priced under \$50.

Air Canada

Let's begin with **Air Canada** ([TSX:AC](#)), which has good growth prospects in the medium to long term. I expect Air Canada to generate stellar returns once travel restrictions ease and domestic air travel demand increases. Meanwhile, the normalization of its operations and reopening of the international borders could significantly drive its financials and [further boost Air Canada stock](#).

Notably, the Canadian airline giant is already witnessing a sequential improvement in its revenues and capacity. Furthermore, its booking rates are rising, and the net cash-burn rate is declining. Moreover, I expect its financials to benefit from the ongoing momentum in the cargo business and its efforts to diversify revenues. Furthermore, focus on lowering costs and solid liquidity positions it well to navigate the short-term challenges.

Goodfood Market

Goodfood Market ([TSX:FOOD](#)) could be a solid addition to your portfolio if you're seeking high growth in the long run. This online grocery services provider has returned over 325% since it got listed in June 2017. Moreover, it has solid growth catalysts that could push its stock further higher.

The higher adoption of online grocery services and increased spending on e-commerce platforms provide a solid base for growth. Meanwhile, growing grocery selections, strong competitive positioning, and targeted marketing augur well for future growth. Further, its strong fulfillment capabilities and focus on reducing delivery time are expected to drive its subscribers, order frequency, and basket size.

Telus

Among the top under-\$50 stocks, investors could also consider buying **Telus** ([TSX:T](#))([NYSE:TU](#)). The telecom company has gained over 24% in one year, and I see further upside owing to its profitable growth, strategic acquisitions, and strength in the base business. The addition of new subscribers and increased average revenue per user will likely support its financials and drive its price.

I am upbeat about Telus's diversified revenue streams, solid net additions, improved mix, and enhanced efficiency. Its focus on debt reduction and continued investments in the 5G network and PureFibre will likely accelerate its future growth. Telus remains well positioned to enhance its shareholders' value through increased dividend payments and share buybacks on the back of its solid revenues and profitability.

Absolute Software

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) stock has witnessed a healthy correction on the expected slowdown in its growth rate. However, I believe this under-\$50 tech stock has ample upside due to the higher demand for its security products. Acceleration in its annual recurring revenues and solid adjusted EBITDA support my optimism and could push Absolute Software stock higher.

Its large addressable market, increased spending on cybersecurity threats, high retention rate, and recent acquisition of NetMotion will likely boost its growth rate. Furthermore, cross-selling opportunities, debt-free balance sheet, new products, and channel and geographic expansion bode well for [future growth](#).

Dye & Durham

I'll wrap it up with **Dye & Durham** ([TSX:DND](#)) stock, which has appreciated over 210% since listing on the exchange in July 2020. I believe Dye & Durham stock has further upside, despite the rally, thanks to its growing top and bottom line, which are supported by strategic acquisitions.

I expect Dye & Durham's revenue and adjusted EBITDA to continue to grow rapidly on the back of its strategic acquisitions, geographic expansion, and continued momentum in the base business. Furthermore, its large customer base, long-term contracts, and low churn rate support my bullish outlook.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:TU (TELUS)
3. TSX:ABST (Absolute Software)
4. TSX:AC (Air Canada)
5. TSX:DND (Dye & Durham Limited)
6. TSX:FOOD (Goodfood Market)
7. TSX:T (TELUS)

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