



2 Smart TSX Stocks to Buy Under \$30 This September

Description

September is rolling around, and the **TSX Index** of stocks continues to drive higher. With interest rates at all-time lows and surging COVID-19 cases, it appears that there will be limited urgency for central banks to raise interest rates. As a result, the case for stocks and risk-on assets still remains pretty positive.

Forget the day-to-day news and just buy great companies

Despite day-to-day economic, monetary, or political news, the best way to invest is to buy stocks in great quality businesses and then do nothing. By that I mean you should buy TSX stocks as an investor and think for the long term.

Buy stocks because they have great management teams, strong balance sheets, and trends that will fuel growing earnings and cash flow growth for years. With this mindset, here are two smart TSX stocks trading under \$30 that I would buy for September.

Algonquin Power: A top ESG stock on the TSX

Renewable power stocks have pulled back on the TSX in 2021. However, that does not mean that [ESG trends](#) won't continue to transform our world. That is why I still remain bullish on **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)). It is unique amongst its peers. A large majority of its operations are from regulated water, electricity, and natural gas utilities. These supply incredibly stable low-risk annual cash flows.

Yet Algonquin is also rapidly building out a large portfolio of renewable power projects. Overall, this TSX stock is transforming its operations to be amongst the greenest utilities and power producers in the world.

In fact, it is investing over \$9 billion to green its fleet, expand its utility capacity, build its renewable power network, and expand its rate base. This is expected to [expand its annual earnings per share](#) by

a rate of 8-10% over the next four years.

This TSX stock trades for \$19 per share today. It pays a really attractive, well-covered 4.3% dividend. Over the past 10 years, it has raised its dividend annually on average by 10%. For stable earnings, exposure to a huge trend, and an attractive dividend-growth profile, this is a top TSX stock to own today.

TELUS: The fastest-growing TSX telecom stock

Another great TSX dividend-growth stock is **TELUS** ([TSX:T](#))([NYSE:TU](#)). It is one of Canada's largest telecommunications businesses. I like this business because cellular and broadband services are essential in today's modern digital world. Consequently, it captures utility-like demand.

TELUS has differentiated itself from its peers in a number of ways. Firstly, it provides an attractive mix of bundles for consumers and businesses. These include cellular, data, internet, television, security, and smart homes technology. This has led to industry-leading net customer growth over the past year.

Secondly, TELUS has been accelerating its capital spend to upgrade to an ultra-fast fibre optic network. This will also prove beneficial as it accelerates the roll-out of 5G across Canada. This early spend will likely result in elevated free cash flow growth in 2022 and beyond.

Lastly, rather than invest in costly media platforms like its peers, TELUS has built out an aggressive multi-vertical digital strategy. It is fast becoming a leader in business digital transformation services (through **TELUS International**), virtual health, and agriculture technology. It is expanding in Canada and abroad. Each of these verticals are [fast growing](#) and could be (or are) substantial businesses in their own right.

While TELUS trades for \$29.29 per share, this TSX stock will likely be much more valuable in the future. Like Algonquin, it pays an attractive 4.35% dividend. It has demonstrated strong 7-10% dividend growth over the past few years. Combine its elevated growth profile with an attractive dividend, and this TSX stock could deliver very strong total returns for many years to come.

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