Got $500? 3 Cheap Stocks to Buy Today!

Description

The **S&P/TSX Composite Index** is down almost 200 points in the last week. The **TSX** today seems to have flatlined, with investors wondering about the immediate economic future. This comes down mainly to the oil and gas market, where demand may peak earlier than previously thought. So with this latest pullback, it's a great time to use even just $500 to find some great cheap stocks.

The post-pandemic sector you *didn't* consider

The automotive sector is a strong area to consider in the post-pandemic economy. In particular, **AutoCanada** (TSX:ACQ) is a strong company that continues to be a great deal. With restrictions easing, revenue has been increasing at a steady rate. In fact, it was recently recognized as one of the top-performing stocks on the TSX today. Shares are up 90% year to date, but going through a 23% pullback during the last month.

Second-quarter results were strong, despite this recent pullback. In fact, it recently reported a record quarter! AutoCanada posted a net income increase of 288% year over year, and adjusted EBITDA was up *1,360%*! Management believes further growth is on the way, with a "robust acquisition pipeline" representing over $500 million in annual revenue. So it's one of the cheap stocks Motley Fool investors will definitely want to consider, especially for its fundamentals.

Despite all this growth, AutoCanada trades at a P/E ratio of just 10.93! And it has an EV/EBITDA of 11.8, putting it well within value territory. Analysts believe there is a potential upside of 45% for the next year, so it's a great time to pick up this stock for further growth.

Health isn't going anywhere

Motley Fool investors may believe that cheap stocks in the health sector are behind them. That goesfor **WELL Health Technologies** (TSX:WELL), but it's simply untrue. The telehealth sector blew upduring the pandemic, with WELL stock rising 1,280% in the last three years — much of that during the pandemic.

But recently it's been a different story. There is a massive pullback as investors worry about the future of telehealth on the TSX today. Honestly, WELL stock continues to grow at the very least through major acquisitions. Sales are set to rise 470% year over year in 2021! On top of that, it's now included in the TSX Index, the only telehealth stock to do so!

Shares have remained down about 5% since the beginning of the year, but that may change overnight. The makes the current price-to-book (P/B) ratio of 3 a solid deal among cheap stocks. As it continues to make acquisitions throughout North America, Motley Fool investors may kick themselves for not buying WELL stock when they could.

Build it and they will come

Finally, the last of the cheap stocks I want to cover on the TSX today is construction-focused. This industry is booming already and is set to explode even more so after the pandemic is over. A huge backlog was created among these companies, including **Aecon Group** (TSX:ARE), which now has a $6.5 billion backlog to cover.

Shares of the company are up 36% year to date but have slowed during the last month, rising by about 6%. This comes off the back of a strong second quarter, where it added about $1.6 billion in new projects, reporting 25% growth in revenue, with gross profit almost doubling year over year.

Yet this company remains a deal among cheap stocks. Not only is there a valuable 14.5 P/E ratio and 8.6 EV/EBITDA, but it has a solid dividend yield of 3.2%. That dividend has grown at a compound annual growth rate (CAGR) of 12.34% over the last decade! So this is the perfect company to buy as one of the cheap stocks you can hold forever.

CATEGORY

1. Coronavirus
2. Investing

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1. TSX:ACQ (AutoCanada Inc.)
2. TSX:ARE (Aecon Group Inc.)
3. TSX:WELL (WELL Health Technologies Corp.)

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alegatewolfe