



The 2 Best Under-\$200 Canadian Stocks to Buy in September 2021

Description

The Canadian market has no shortage of high-priced growth stocks today. The current bull run has sent valuations soaring for many [top Canadian stocks](#).

It's been an impressive run for the **S&P/TSX Composite Index** as of late. The index is up close to 20% in 2021 alone and nearly 30% over the past 12 months. That incredible growth has led to a very expensive market today, though.

Investing with a long-term time horizon allows you to not be as concerned with the market's current valuation. As a long-term investor myself, I'm not ignoring valuation, I'm just not letting it dictate my investing strategy.

I'm looking to add market-leading companies to my portfolio and holding for the long term. Where valuation comes into play for me is when I'm building my portfolio. High-valued stocks could very well lead to high levels of volatility. As a result, I'm always sure to focus on balancing out the [growth stocks](#) in my portfolio with reliable companies I can count on year after year.

Lightspeed

At a price-to-sales ratio of 70, **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) is one of the most expensive stocks on the **TSX**. A price like that is high enough for many investors to not even slightly consider starting a position.

In the short term, I'd be very hesitant to open a position in Lightspeed. At a price tag like that, shareholders should certainly expect volatility. That volatility could make it even more difficult to predict performance in the short term.

Long-term investors have the luxury of sitting patiently during inevitable market downturns and even potentially adding to their position while the stock is at a discount.

A reason why this [tech stock](#) is trading at such a high valuation is because of its [growth potential](#). Its already grown into a \$20 billion company but investors are showing that they're banking on many more years of market-beating growth.

Shares of the Canadian stock are up 700% since it joined the TSX in 2019. I wouldn't let the fact that Lightspeed is trading at all-time highs prevent you from starting a portion today. If you're waiting for Lightspeed stock to be trading at a reasonable price you're going to be waiting a while.

Algonquin Power & Utilities

If you're going to own high-priced growth stocks in your portfolio, you might want to think of adding in a few slower-growing companies to balance out the volatility.

The utility company, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), is on my radar this month.

The Canadian stock has delivered a surprising amount of growth for a utility stock in recent years. Shares are up a market-beating 75% over the past five years. And that's not even factoring in its impressive 4% dividend yield.

Utility stocks are considered dependable companies to invest in because of the predictable revenue streams. No matter the condition of the economy, consumers and businesses will likely continue to pay their utility bills.

Dependability and passive income aren't the only reasons Algonquin Power & Utilities is on my radar this month, though. The company has been a consistent market-beater for years and I don't think that's going to be ending anytime soon.

The company's renewable energy part of the business is one of the main reasons I'm considering investing. It offers customers a range of different renewable energy solutions, including wind, hydro, and solar.

The renewable energy space is a growing sector that I'm looking to expand my exposure to. If you're looking for a pure-play investment into this growing sector, Algonquin Power & Utilities might not be at the top of your list.

But you'd be hard-pressed to find another Canadian stock that can match the combination of Algonquin Power & Utilities' growth potential, stability, and passive income.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:AQN (Algonquin Power & Utilities Corp.)

4. TSX:LSPD (Lightspeed Commerce)

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Author

ndobroruka

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