



3 Under-\$100 Canadian Stocks I'd Buy to Retire Early

Description

For many of us, the primary objective of investing in the stock market is to create wealth. What that wealth is used for may differ between investors, but typically, it's for a long-term savings goal, such as a downpayment on a house or retirement.

The volatility in the stock market is why it's generally better used for long-term savings goals. It's very difficult to predict the performance of the Canadian stock market in any given year. But when looking at a decade or longer, there's enough historical data to have a rough estimate of your future annual returns.

There's absolutely nothing wrong with saving for more than one goal at once. You may be looking to invest in more low-risk stocks for money that you expect to use within the next five years, potentially for a down payment on a house. For long-term goals, such as retirement, you may instead be looking to invest in higher-risk stocks or passive-income generators.

For anyone with a time horizon of at least five years or longer, I've put together a list of [top Canadian stocks](#) you'll want on your radar. Best of all, each of the picks is trading below \$100 a share right now.

Brookfield Renewable Partners

Renewable energy is one area of the market that I'm betting will continue to see [market-beating growth](#) for many years to come. The renewable energy sector as a whole has done well in recent years but I believe it's still largely in its early development stages. That's why I'd recommend to anyone with a long-term savings goal have exposure to this growing sector.

One of the top green energy players in Canada is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). The Canadian stock offers its shareholders broad diversification to the sector and a track record of market-beating growth.

Shares are up a market-crushing 130% over the past five years — and that's not even factoring in the renewable energy stock's impressive 3% dividend yield.

Bank of Nova Scotia

Next on my list is a [Dividend Aristocrat](#) that's trading at a massive discount right now.

Shares of **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) are trading below \$100 but it's the Canadian stock's valuation that puts it at the top of my watch list. The stock is trading at a very favourable forward price-to-earnings of 10.

The bank stock has trailed the **S&P/TSX Composite Index** in recent years but I'm investing in Bank of Nova Scotia's long-term growth potential.

And in the meantime, while waiting for the market-beating growth to return, shareholders will earn a top dividend nearing a yield of 5%. That ranks it as the highest yield among the Big Five.

Air Canada

Last on my list of sub-\$100 Canadian stocks is a company I was bearish early on in the COVID-19 pandemic. The performance of **Air Canada** ([TSX:AC](#)) has impressed me enough over the past year and a half to have it on my radar now, though.

One of the main reasons I was bearish at the beginning of the pandemic was due to the uncertainty in the future of air travel. You could argue we're still far from past the COVID-19 pandemic. But the reason Air Canada is now on my watch list is that we have a much clearer idea of what air travel will look like in the coming years.

It's not a huge surprise to hear that Air Canada shares have outperformed the market since its lows in 2020. The airline stock initially lost more than 70% of its value early last year but shares have rebounded incredibly well since then.

I'd expect to see high levels of volatility to continue with this Canadian stock in the short term. But if you're a long-term investor, that shouldn't stop you from picking up shares of this top airline stock today.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BNS (The Bank of Nova Scotia)

3. TSX:AC (Air Canada)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:BNS (Bank Of Nova Scotia)

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