



4 Top Canadian Stocks I'd Buy With \$500

Description

It wasn't always easy to put together a stock portfolio for just \$500. In the old days, virtually all brokers charged steep commissions that made single purchases of \$100 or less not worth it. When the banks all charged \$10 per trade, you'd automatically lose 10% on a \$100 buy. Ouch.

Fortunately, today there are a number of no-fee brokers out there that are making small investments more viable than ever. With platforms like WealthSimple, you pay no trading commissions. You do "pay" in the form of currency conversions, but those fees are percentages rather than flat rates, so you don't take a bigger hit from a smaller buy.

So, today, thanks to "no-fee trading," you can build a complete portfolio starting with as little as a few hundred bucks. With that in mind, here are four Canadian stocks I'd buy as part of a \$500 portfolio.

CN Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is a Canadian railroad stock that traded for \$147 as of this writing. It's not the cheapest stock in the world but cheap enough that one share could make up part of a four-stock \$500 portfolio. I like CN Railway stock because it grows with the economy. The greater the demand for basic goods and services in North America (oil, grain, timber etc.), the more business CNR will do. In its most recent quarter, CNR grew its revenue and earnings by double digits thanks to the post-COVID economic recovery. I expect more good things from this company going forward.

TD Bank

Toronto-Dominion Bank is my favourite Canadian bank stock. Its shares cost about \$85 — not super cheap but able to fit into a \$500 portfolio. The main thing I like about TD Bank compared to other Canadian banks is its geographic diversification. With about a third of its operations based in the U.S., it has more room to grow than the average Canadian bank does.

Rogers Communications

Rogers Communications is a Canadian telco stock that also has investments in entertainment and media. Its stock costs \$59 at today's prices, making it pretty easy to buy, even if your savings are limited. Like most telcos, RCI.B offers a high dividend yield and modest growth. What sets it apart is its positioning for 5G. Rogers has the largest 5G network in Canada, so it has a head start in the next big development in cellular tech.

Royal Bank of Canada

Royal Bank of Canada is another bank stock like TD Bank. Much like TD, it offers a high yield, slow but steady growth, and a long-term track record of dividend increases. Overall, it's a stock that you can do pretty well with. I actually [sold this stock recently](#) to make way for another stock purchase, but if funds weren't limited, I'd still be holding it today.

Bottom line

So, there you have it: a portfolio of four Canadian stocks that you can buy for under \$500. Of course, you should always speak with a financial advisor before making investment decisions — including buying any of the stocks mentioned here. For my part, though, I'd be comfortable holding any of the stocks on this list.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

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Author

andrewbutton

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