



Top 5 Under-\$30 Stocks to Buy in October 2021

Description

With strong liquidity and an improving economic outlook, it's time to add a few high-quality stocks to your portfolio that are still priced low. I have shortlisted five such Canadian stocks trading under \$30. While these stocks are well within investors' reach, they have solid growth potential and could deliver healthy returns over the medium to long term.

Here's the list.

Algonquin Power & Utilities

Let's start with **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). It is a solid stock for investors to generate growth and income. Thanks to its rate-regulated assets and contractual framework, this utility company has consistently delivered double-digit growth in its earnings and generated strong total shareholders' returns, reflected through the appreciation in its price over time and solid dividend growth.

Algonquin Power & Utilities' low-risk business and long-term agreements add visibility over its future cash flows. Meanwhile, double-digit growth in its rate base and strategic acquisitions will likely accelerate its growth and support its earnings. Thanks to its high-quality earnings base, I expect Algonquin Power & Utilities to continue to increase dividends over the next several years.

Suncor Energy

With its integrated assets and low-cost base, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) remains well-positioned to benefit from the improving operating environment. This under-\$30 energy [stock could trend higher](#) as crude oil prices regain strength from increased economic activities and higher energy demand.

Furthermore, its continued investments in the base business, focus on debt reduction, favourable product mix, and lower breakeven costs augur well for growth. Also, Suncor will likely enhance shareholders' returns through share buybacks and regular dividend payments.

Air Canada

Air Canada ([TSX:AC](#)) stock has bounced back from lows. However, the resurgent virus continues to play spoilsport and restrict the upside in its stock. While Air Canada will likely face challenges in the near term, I maintain a positive view over its long-term prospects and see this under \$30 stock as a [solid bet for investors](#) with a medium- to long-term outlook.

I expect the normalization in air travel demand and reopening of the international borders to boost its financial and operating performance. Further, Air Canada's focus on revenue diversification, growing momentum in the cargo business, cost-saving measures, and solid liquidity position are expected to help the company survive the near-term challenges with ease.

Cineplex

Cineplex ([TSX:CGX](#)) is another cheap (under \$30) yet high-quality stock. Like Air Canada, Cineplex stock lost a fair amount of its value amid the pandemic. However, the ongoing vaccination and the reopening of its business are leading to an improvement in its financials and supporting the recovery in its stock.

The reopening of its theatres and entertainment venues will likely boost its revenues. Meanwhile, its net cash burn is expected to go down on a sequential basis. Moreover, its subscription programs, growing food delivery services, and cost reduction measures will likely improve its profitability. Also, a strong pipeline of movies bodes well for future growth.

AltaGas

Let's wrap this list with **AltaGas** ([TSX:ALA](#)) stock. It has delivered impressive returns and generated consistent income for its investors. Thanks to its low-risk utility assets and growing rate base, I expect the AltaGas to deliver solid earnings and cash flows in the future.

Further, AltaGas's solid customer base, higher export volumes, and focus on cost reduction augurs well for growth. Overall, the improvement in energy demand, its high-growth midstream operations, integration of Petrogas, and an increase in asset utilization rate could continue to drive its financials, in turn, its stock. Meanwhile, AltaGas will likely enhance its shareholders' returns through increased dividend payments.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AC (Air Canada)
4. TSX:ALA (AltaGas Ltd.)
5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:CGX (Cineplex Inc.)
7. TSX:SU (Suncor Energy Inc.)

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