Canadian Stocks Under $100: My Top 3 Picks This Month

Description

Valuations in some areas of the market have been rising steadily since early 2020. While the market as a whole has rebounded incredibly well since the COVID-19 market crash last year, high valuations have some Canadians skeptical about investing in the **TSX** today.

Sometimes a high price tag is the cost of owning a stock with lots of market-beating growth potential. It might be a volatile ride, but over the long term, the hope is that the expensive stock will outperform the broader market's returns.

The market cooled off in September, but it's still near all-time highs. Rather than wait for a larger dip to go shopping, I've got these three Canadian stocks that I'm ready to pull the trigger on this month. Best of all, investors can pick up shares of each of these top Canadian stocks for less than $100 right now.

Canadian stock #1: Toronto-Dominion Bank

There are several reasons you might want to have at least one Canadian bank on your radar.

The Big Five all own impressive dividends and are trading at very reasonable prices too. On top of that, earning market-beating growth is definitely not out of the question for long-term investors.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) checks off all of those boxes, and more.

The bank stock's annual dividend of $3.16 per share is good enough for a yield above 3.5% today. It also owns a strong track record of outperforming the market. Shares are up a market-beating 50% over the past five years, and that's not even including dividends.

The Canadian stock is trading at a forward price-to-earnings ratio of barely over 10. Considering what TD Bank offers its shareholders, the stock is an absolute bargain.

Canadian stock #2: Docebo

Shares of this top tech stock aren't cheap, but there's plenty of growth potential that makes it worth the risk.

Docebo (TSX:DCBO)(NASDAQ:DCBO) stock is trading at a lofty price-to-sales ratio of close to 40. The Canadian stock has also been a five-bagger since it went public in late 2019, so it's been well worth the steep price of admission so far.

The tech stock specializes in designing learning platforms for both internal and external workforces. The cloud-based software provides support for its customer throughout the entire learning process, including improving productivity and centralizing all training materials.

With the sudden rise in remote work due largely to the COVID-19 pandemic, it's no surprise to see the tech company having success. Its global customers have become even more dependent on its products with so many people now working remotely.

Canadian stock #3: Air Canada

Air Canada (TSX:AC) is another stock that COVID-19 has had a major impact on. Unfortunately for Air Canada shareholders, though, it's unsurprisingly been a negative one.

The Canadian stock lost 70% of its value in barely one month last year. Since April 2020, it's been riding an impressive bull run, but the airline stock is still far below where it was prior to the pandemic.

The further we move past this pandemic, though, the higher up Air Canada moves on my watch list.

At first, the uncertainty about the future of air travel turned me off from investing in Air Canada. But now that we're seeing the air travel experience isn't all that different than how it was before the pandemic, Air Canada's massively discounted stock price is tempting.

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TICKERS GLOBAL

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AC (Air Canada)
4. TSX:DCBO (Docebo Inc.)
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