Want Solid Returns? 5 Stocks to Buy Right Now

Description

The easing of COVID restrictions, economic expansion, corporate earnings growth, and lower interest rates suggest that it's time to invest in equities. Though valuation concern remains, I still expect equities to outperform other assets classes by a considerable margin in the coming years.

Further, as prices of most TSX-listed stocks have trended higher over the past year and a half, I have shortlisted stocks that are still within investors' reach and can be bought even with small dollar amounts. Let's dive in.

Algonquin Power & Utilities

I have been bullish on **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) stock for quite some time now. While it has underperformed the benchmark index this year, I see strong potential for growth in the long run due to the favourable energy demand outlook. Its regulated utility assets, long-term power-purchase agreements, and growing renewable power capacity augur well for growth.

Furthermore, strategic acquisitions, double-digit rate base growth, and cost-saving initiatives will likely cushion its profits. Algonquin Power & Utilities has increased its dividends for 11 years in a row, signifying the strength of its high-quality earnings. Meanwhile, I expect it to continue to hike its future dividends at a healthy pace.

Cineplex

Cineplex (TSX:CGX) stock is more of a recovery play that I believe would deliver solid returns in the long run. It is trading at a steep discount from its pre-pandemic levels, providing an excellent opportunity for buying.

With the growing pace of vaccination, I expect the company's theatres and entertainment business to soon start operating at normal levels and will likely give a significant boost to its financials and, in turn, its stock. I expect its revenues, traffic, and net cash burn to continue to improve in the coming quarters.

Moreover, a strong slate of movies, its subscription program, and cost-savings measures bode well for future growth.

WELL Health

WELL Health Technologies (TSX:WELL) could be a solid long-term bet due to the growing demand for virtual care services. Its stock has cooled off a bit and is down over 19% this year, signaling a good buying opportunity for long-term investors. With its dominant positioning in Canada and expansion in the high-growth markets, WELL Health could deliver stellar returns in the coming years.

Looking ahead, I expect the demand for its products and offerings to continue to increase. Meanwhile, strategic acquisitions will likely accelerate its growth rate and strengthen its competitive positioning. Overall, a large addressable market, WELL Health's improving EBITDA, appetite for acquisitions, and focus on lowering costs suggest better days are ahead for its shareholders.

Absolute Software

The normalization in demand amid economic reopening led to a decline of over 25% in the shares of **Absolute Software** (TSX:ABST)(NASDAQ:ABST) in six months. While I acknowledge that its growth could moderate in the short term, enterprises' ongoing digital transformation, higher cybersecurity incidents, and increased spending on security products provide a multi-year growth opportunity for Absolute Software.

Supporting my bullish outlook is its growing addressable market, product innovation, and cross-selling opportunities. Further, strategic acquisitions, solid annual recurring revenues, and its low valuation indicate strong upside potential.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB) has all the ingredients that make it a perfect long-term stock trading cheap. I expect BlackBerry to benefit from the accelerated pace of digital transformation, increased spending on cybersecurity platforms, and expansion of its addressable market.

Further, the recovery in the auto market, favourable sector trends like electrification and automation, design wins, and higher QNX average revenue per user bode well for future growth. Overall, its recurring software product revenue base and margin expansion suggest that BlackBerry is poised to deliver superior returns in the long run.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:BB (BlackBerry)
4. TSX:ABST (Absolute Software)
5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:BB (BlackBerry)
7. TSX:CGX (Cineplex Inc.)
8. TSX:WELL (WELL Health Technologies Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Tech Stocks

Date
2025/07/01
Date Created
2021/10/28
Author
snahata