Got $3,000? 3 Canadian Stocks to Buy With it

Description

Some investors prefer to accumulate/save a decent amount of cash before they go “stock shopping.” These investors might not buy anything in their TFSA until they have contributed the whole $6,000 allowed for a year. But a better strategy would be to buy as soon as you see a good deal, even if you haven’t hit your ideal capital mark. This way, you can take advantage of another precious asset: time.

So, if you have $3,000 to invest, there are three stocks that should be on your radar.

A powerful gold stock

Abitibi Royalties (TSXV:RZZ) is a gold stock from the junior market that’s worth considering for its growth prospects. Unlike other gold stocks, especially mining companies that only offer growth when the market is down, and investors become more interested in the tangibility of growth, Abitibi Royalties offer relatively stable and consistent growth.

It has returned over 178% to its investors in the last five years and uncharacteristically (for a small, venture-capital-based gold stock) offers dividends as well, though the 0.6% yield is nowhere near as attractive as the growth potential of the company. And as a royalty business, it offers a relatively hands-off exposure to the underlying asset. It’s about to combine with the U.S.-based **Golden Valley**, so take that into account if you are considering this stock.

A tech stock

Nowadays, it’s almost impossible to distinguish between “tech stocks” and “software stocks,” since the latter, which used to be an industry of the tech sector, has practically overtaken the sector. But there are still promising tech stocks available outside the software domain, and one of them is **Hamilton Thorne** (TSXV:HTL). This U.S.-based company focuses on precision laser technology, used by a variety of medical diagnostics instruments.

This relatively small company offers a wide range of products, including many that are based around its trademark laser technology. What’s even more promising for the company’s financials is that it makes most of its revenue from the consumables it sells to the clients that already use its instruments. Hamilton Thorne has a 10-year CAGR of 33.6%, which is capable of growing your $1,000 investment to a five-digit nest egg in fewer than 10 years.

An energy stock

Terravest (TSX:TVK) is an unusual energy stock. Despite providing infrastructure and specialized products like containers, vessels, and transportation almost exclusively to the energy sector, the company has managed to stay clear of the usual dynamics of the energy sector. It didn’t fall like the rest of the sector did in 2018 and 2020. Neither did it rise as aggressively as the rest of the energy sector did in the last 12 months.

This makes it a highly predictable and reliable growth stock, which is currently available at a very attractive valuation. And it also offers dividends, and the current yield is 1.5%. There is a lot of like about Terravest already, but the company might become even more attractive in the next few years. It has made its foray into renewables and is working on its first-ever renewable natural gas project.

Foolish takeaway

If you invest about $1,000 in each of the three companies, and if they can replicate their five-year CAGR for the next half-decade, your $3,000 could grow up to about $12,000. Even if two of the three bets pay out, you are still likely to double your capital (in the next five years) by investing in these three growth stocks.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks
5. Tech Stocks

TICKERS GLOBAL

1. TSX:HTL (Hamilton Thorne)
2. TSX:TVK (TerraVest Industries Inc.)

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