



## Got \$1,000? Lap Up These 3 Under-\$20 Canadian Stocks

### Description

Over the last few weeks, the equity markets have turned volatile due to rising COVID-19 cases and increasing inflation. However, if you are a long-term investor, you should not worry about these short-term fluctuations and go long on high-quality stocks. Meanwhile, if you have a spare \$1,000, you can buy the following three top Canadian stocks for under \$20 to earn superior returns.

### BlackBerry

Given its exposure to high-growth cybersecurity and electric vehicle markets, I have selected **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) as my first pick. Amid the weakness in the broader equity markets, the company has lost over 25% of its stock value from last month's highs. Meanwhile, the steep correction provides an excellent entry point for long-term investors.

The increased digitization and growing remote working and learnings have created a multi-year growth potential for BlackBerry. The company is launching innovative products and upgrading its current platforms to increase its market share.

In the EV market, BlackBerry has design wins with prominent EV manufacturers. Additionally, its IVY platform, which allows OEMs to securely access vehicle data and provides actionable insights, could be a significant growth driver in the coming years. The company is also strengthening its competitive positioning in the IoT market. So, its outlook looks healthy.

### Algonquin Power & Utilities

Along with utility services, such as providing natural gas, water, and electricity to over one million customers, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) also operates regulated renewable power-producing facilities. So, given its regulated and low-risk business, the company generates predictable cash flows, which has allowed it to raise its dividends in double digits over the last 11 years. The company's forward yield currently stands at an attractive 4.96%.

Meanwhile, Algonquin Power & Utilities is working on acquiring Kentucky Power Company and Kentucky Transmission Company, which can increase its regulated rate base by US\$2.2 billion. Meanwhile, the company's management expects to close the deal by mid-next year. The company has [announced a new capital plan](#) of US\$12.4 billion, which the company will be investing from 2022 to 2026. Supported by these investments, the management expects its adjusted EPS to grow at a 7-9% CAGR during this period. So, given its healthy growth prospects and attractive dividend yield, [I am bullish on Algonquin Power & Utilities](#).

## TransAlta Renewables

Amid the increasing transition towards clean energy, I have selected **TransAlta Renewables** ([TSX:RNW](#)), which operates highly contracted renewable power-generation facilities, as my final pick. It owns or has an economic interest in around 49 power-producing facilities, with an installed power-producing capacity of around 2.77 gigawatts. Meanwhile, the company sells its power through long-term PPAs (power-purchase agreements), shielding it against price and volume fluctuations. The weighted average remaining contractual life stands at 12 years, which is encouraging.

Supported by these long-term contracts, TransAlta Renewables has raised its dividends at the rate of 3% since its IPO in 2013. Its forward dividend yield currently stands at a juicy 5.13%. Meanwhile, the company's outlook looks healthy. It acquired 20 solar photovoltaic facilities in North Carolina, adding 122 megawatts of power-producing capacity last month. It also started the commercial operation of its Windrise wind facility on November 10. The company is also constructing a 48-megawatt Northern Goldfields Solar Project in Australia, which could become operational in the second half of 2022. These investments could boost its financials and stock price in the coming years.

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rnanjapla

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