



Planning to Invest \$1,000? 4 TSX Cheap Stocks to Buy Now

Description

If you plan to put \$1,000 into equity, consider buying stocks that have solid fundamentals yet are trading cheap. While plenty of TSX stocks are trading cheap, let's look at four stocks with solid fundamentals.

Lightspeed

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) has lost a considerable portion of its value due to the recent selling in its stock following the short report from Spruce Point Capital Management and expected moderation in its growth rate. I see this recent correction in Lightspeed stock as an excellent [buying opportunity](#) for investors with a long-term mindset.

Lightspeed's forward EV/sales multiple of 8.1 compares favourably to its historical average and reflects a significant discount. While Lightspeed's organic growth rate is expected to moderate, the growing penetration of its payments solutions and higher average revenue per user augur well for future growth.

Overall, the structural shift in selling models, Lightspeed's robust digital product offerings, expansion into high-growth verticals and markets, and acquisitions will likely support its growth and, in turn, its stock price.

Algonquin Power & Utilities

With its consistent earnings growth and low-risk business, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is a high-quality stock that is [trading cheap](#). The company expects its rate base to increase at a CAGR of over 14%, which will drive its high-quality earnings base and, in turn, its dividend payments.

Notably, Algonquin Power expects its earnings to continue to grow at a high-single-digit rate (7-9%) annually over the coming years, which is encouraging. Meanwhile, its long-term contractual arrangements, strategic acquisitions, and growing renewable capabilities augur well for growth.

Its dividends have a CAGR of 10% in the last 11 years. Meanwhile, the increased visibility over its future earnings suggests that its dividends could continue to grow at a decent pace. Algonquin Power stock has witnessed a healthy pullback. Moreover, it offers a high yield of 4.7%.

Payfare

Shares of the financial technology company **Payfare** ([TSX:PAY](#)) is another top-quality long-term stock worth investing in. It provides banking and payments solutions to gig workers and is likely to benefit from the increased demand for ridesharing and food ordering amid the economic reopening.

Its growing active user base, partnerships with top platforms, and lower customer acquisition cost support my bullish outlook.

Further, its scalable platform, large addressable market, strong recurring revenue base, focus on cost optimization, and expansion into high-growth verticals bode well for future growth.

Telus

Canada's leading telecom company **Telus** ([TSX:T](#))([NYSE:TU](#)), is another solid stock trading cheap. Its long track record of delivering profitable growth, continued addition of new subscribers, services expansion, and diversified revenue mix support my bullish view.

Further, accelerated investments in the 5G network and a favourable sales mix will likely drive its revenues and profitability.

This telecom company has consistently boosted its shareholders' returns through increased dividend payments. It's worth noting that Telus has returned about \$15 billion to its shareholders in the form of dividends since 2004. Furthermore, it offers a solid yield of over 4.4%.

CATEGORY

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:PAY (Payfare Inc.)
7. TSX:T (TELUS)

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Date

2025/08/26

Date Created

2021/12/24

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