



3 Top TSX Stocks to Buy for 2022

Description

The TSX advanced slightly to close at 21,236.50 on the first trading day of the year. However, despite the heavy trading volume on January 4, 2022, many investors are still scouting for the top stocks to buy for this year. If you have limited budget, **TransAlta Renewables** ([TSX:RNW](#)), **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)), and **Cascades** ([TSX:CAS](#)) are price-friendly stocks you can scoop up this month.

All three stocks trade below \$20 per share but offers decent [dividend yields](#). Furthermore, the prices could appreciate in 2022, and therefore, your overall returns could be higher.

Growth oriented

TransAlta, which is in the renewable energy space, didn't deliver in 2021 (-9.92%), although the clean energy companies rebounded this year. This \$4.99 billion company boasts operational and highly contracted renewable power generation facilities such as wind, hydro, and gas.

Management's primary focus is to grow its renewable energy assets. The facilities in Canada are company-owned, while TransAlta has economic interests in the assets in Australia and the United States. In the nine months ended September 30, 2021, consolidated revenues increased 7.79% to \$332 million versus the same period in 2020.

The net earnings of \$97 million during the period represents a 148.72% increase from the prior-year period. TransAlta is one of Canada's largest generators of wind power, although the seasonal variations affect business results. The largest wind volumes are the first and fourth quarters, while the hydro assets record the highest volumes in second and third quarters.

On the [dividend front](#), TransAlta pays a hefty 5.02% dividend. The current share price is \$18.44.

Work-from-anywhere world

Absolute Software trades at a discount, considering the current share price of \$11.23 is 25.38% lower from one year ago. However, based on market analysts' forecasts, the price could climb 69.22% to \$19.02 in 12 months. Note that this [tech stock](#) is a dividend payer (2.77% dividend) — a rarity in the sector.

The \$559.98 million company takes pride in having the first self-healing Zero Trust platform in the industry (endpoint resiliency). Absolute's platform ensures maximum security and uncompromised productivity. In Q1 fiscal 2022 (quarter ended September 30, 2021, revenue rose 53% versus Q1 fiscal 2021. However, the company has a net loss of US\$7.6 million.

According to Christy Wyatt, Absolute's president and CEO, the acquisition of NetMotion helped the company achieve significant progress in its product integration milestones. The company is well positioned to thrive in the work-from-anywhere world.

Consistent demand

Cascades fly under the radar, although the nature of the business is essential in today's world. The \$1.39 billion company offers sustainable, innovative, and value-added packaging, hygiene and recovery solutions. It also has an extensive experience in recycling.

In Q3 2021, net earnings fell 34.69% versus Q3 2020, although operating income increased 35.19% to \$73 million. Cascades's president and CEO Mario Plourde said, "Our third-quarter performance reflects the ongoing dynamic nature of the North American macro environment."

Nevertheless, the demand for packaging and tissue products will not wane, and therefore, that ensures business stability. Cascade trades at \$14.01 per share and pays a respectable 3.43% dividend.

Solid choices

The three price-friendly stocks are solid choices to start 2022. Each company has visible growth potential, as Canada approaches the full economic recovery phase.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. TSX:ABST (Absolute Software)
3. TSX:CAS (Cascades Inc.)
4. TSX:RNW (TransAlta Renewables)

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