



4 Cheap TSX Stocks to Buy Under \$50

Description

The recent selloff in equities has led to a sharp pullback in high-quality TSX stocks. Many of these Canadian stocks have lost a considerable portion of their value, making them attractive at current price levels. This article will focus on TSX stocks that have corrected quite a lot, offer good growth, and are priced under \$50.

Lightspeed

Lightspeed ([TSX:LSPD](#))([NYSE:LSPD](#)) stock has crashed nearly 70% in three months. A short-seller report, overall selling in tech stocks, and difficult year-over-year comparisons dragged it down. The massive selling in Lightspeed stock has compressed its valuation to a multi-year low, providing a solid [buying opportunity](#). Moreover, its long-term prospects remain intact.

It's worth noting that Lightspeed's next 12-month EV-to-sales multiple has declined to 5.4, representing a discount of about 69% from the pre-COVID levels.

Overall, its low valuation, sustained demand for its digital products, expansion into high-growth markets and verticals, product innovation, and opportunistic acquisitions make Lightspeed a solid investment. Further, its growing revenues per user and up-selling opportunities bode well for growth.

Air Canada

Shares of **Air Canada** ([TSX:AC](#)) are trading at a discount of about 57% from the pre-pandemic levels. Travel restrictions and lower demand took a toll on Air Canada's operations and, in turn, its stock price. However, the easing of travel measures, ongoing vaccination, and recovery in air travel demand make me bullish on Air Canada stock.

I expect Air Canada to benefit from revenue diversification, improved bookings, and lower costs. Furthermore, ongoing momentum in its cargo business is positive and is likely to drive its sales. Also, an uptick in corporate and leisure travel will likely give a significant boost to its financials.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) operates a low-risk utility business. Despite its conservative business mix, Algonquin Power has consistently outpaced the broader market averages and delivered solid total [shareholders' returns](#). Its high-quality assets, long-term contracts, and growing rate base consistently drive its earnings and, in turn, its returns.

Looking ahead, Algonquin Power & Utilities's multi-billion capital program and growing renewables capacity will likely drive its high-quality earnings base over the coming years and, in turn, support its stock price and dividend payments. It's worth noting that Algonquin Power has increased its dividend for 11 years in a row and offers a healthy yield of over 4.9%. Further, it has decreased by about 23% from its high, providing a good entry point.

BlackBerry

The ongoing shift towards digital, increased enterprise spending on cybersecurity and an uptick in the auto sector indicate that **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) could deliver strong financial and operating performances in the coming years, which will likely drive its stock higher.

BlackBerry's focus on endpoint security product launches, strong competitive positioning in the IoT market, higher billings, customer growth, and higher retention rate will likely drive its financials. Furthermore, its large addressable market and electrification and automation in the auto market provide a multi-year growth opportunity for BlackBerry. BlackBerry stock has corrected about 72% from its 52-week and appeals at current price levels.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BB (BlackBerry)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:AC (Air Canada)
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