



3 Cheap Stocks to Buy With \$300 in February

Description

Thanks to the resurgent virus and the recent selling in equities, several top TSX stocks are [trading cheap](#), presenting a solid buying opportunity for the long term. So if you are sitting on some extra cash, consider adding a few top-quality stocks to your portfolio now. Here are my top three picks that look attractive at current levels.

Air Canada

Air Canada ([TSX:AC](#)) impressed with its Q3 performance that marked a sharp recovery in its revenue and capacity. Further, its bottom line performance improved significantly. However, the spread of the Omicron variant of the coronavirus and equity dilution restricted the upside in Air Canada stock.

While near-term headwinds could continue to impact Air Canada's financial and operating performance, I am bullish about its long-term prospects and expect it to benefit significantly from the recovery in air travel demand. Further, its stock is still trading at an over 50% discount from pre-COVID levels, representing a good entry point for long-term investors.

Air Canada's operating capacity is expected to increase with the easing of travel measures. Further, higher bookings, revival in corporate demand, and recovery in international travel will drive its financials and support the uptrend in its stock. Moreover, the continued momentum in its cargo business and revenue diversification augurs well for future growth.

Overall, Air Canada remains well-positioned to capitalize on the recovery in air travel and could deliver stellar returns.

Cineplex

Like Air Canada, **Cineplex** ([TSX:CGX](#)) was hit hard by the pandemic, leading to a massive correction in its stock price. While the easing of restrictions amid ongoing vaccination led to the reopening of its entertainment venues, the resurgence of the newer variant of the virus and capacity restrictions limited

Cineplex's ability to capitalize on the recovery in demand.

Nevertheless, Cineplex marked a strong recovery in Q4, which indicates that the normalization of its operations would boost its financials and drive its stock price higher. Its revenues improved significantly on the back of a stellar recovery in theatre attendance. Furthermore, Cineplex managed to cut losses significantly, which is encouraging.

I am upbeat about Cineplex's prospects and expect its revenue and profitability to improve in the coming quarters on the back of increased capacity, a new subscription program, higher theatre attendance, a strong slate of movies, and normalization of its operations. Its stock is trading cheap and represents a good buying opportunity at current price levels.

Lightspeed

Thanks to the significant selling in the recent past, **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock is trading at a multi-year low valuation and provides a solid buying opportunity. I am bullish about Lightspeed's prospects, especially as it continues to grow its business rapidly.

While Lightspeed stock looks attractive on the [valuation front](#), its growing subscriptions revenues, higher penetration of payments solutions, recent acquisitions, and increase in customer base augur well for future growth.

Lightspeed's organic revenues are growing fast, while its entry into high-growth markets, new product launches, and higher revenues from existing customers will likely accelerate its growth rate. Moreover, geographic expansion, increasing scale, and favourable sector trends support my outlook.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:AC (Air Canada)
3. TSX:CGX (Cineplex Inc.)
4. TSX:LSPD (Lightspeed Commerce)

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