Got $1,000? 3 Cheap Stocks to Buy Right Now

Description

The equity markets have turned volatile over the last few weeks. Investors are becoming skeptical over the impact of rising inflation, higher interest rate, and geopolitical tensions on global growth. Meanwhile, growth stocks have witnessed a substantial selloff, as investors are worried that interest rate hikes could increase the borrowing costs, thus hurting their margins.

However, I believe the correction in the following three Canadian stocks is overdone, thus providing excellent buying opportunities.

goeasy

Amid the recent pullback, **goeasy** (TSX:GSY) has lost around 50% of its stock value compared to its September highs, while its NTM price-to-earnings multiple has declined to 8.6. Meanwhile, the improvement in economic activities amid the easing of restrictions has led to loan originations, benefiting goeasy. Given its omnichannel distribution network, expanded product range, and addition of new business verticals, the company is well equipped to capitalize on the market expansion.

goeasy's management expects its loan portfolio to grow by 67%, from $2.15 billion at the end of the March-ending quarter to $3.6 billion by 2026. The management expects its operating margin to remain higher than 35% while delivering a return on equity of over 22%. The company also rewards its shareholders by raising its dividend at a healthy rate. So, given its healthy growth prospects and attractive valuation, I believe goeasy is an excellent buy right now.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB) is trading at a discount of over 68% from its 52-week high. A weak fourth-quarter performance and the selloff in tech stocks dragged the company's stock price down. However, the company's growth potential looks healthy. The company is adding new innovative product offerings and boosting its sales forces to strengthen its position in the expanding cybersecurity markets. Management expects its cybersecurity revenue to grow at a CAGR of 10% over the next five years.

BlackBerry is expanding its position in the high-growth IoT market. Given its strategic investments, design wins, and a solid pipeline of projects, the company expects its IoT revenue to grow at an impressive CAGR of 19.8% through financial 2027. These initiatives could drive BlackBerry's total revenue at an annualized rate of 10%. Along with its topline growth, the company's gross margin could expand by 1% annually, while its operating margin could reach 20% by 2027. So, given its high-growth prospects and a discounted stock price, I am bullish on BlackBerry.

Lightspeed Commerce

My final pick is **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD), which is trading around 80% lower than its 52-week high. Concerns over its high valuation, a short report, and expectation of growth moderation led its stock price to fall. Amid the steep pullback, the company's NTM price-to-sales multiple has fallen to 4.9.

Meanwhile, the company continues to drive its financials. In the recently reported fourth quarter of fiscal 2022, the company's revenue grew by 78%. Organic growth and the acquisitions over the last 12 months drove its revenue. The uptrend in Lightspeed Commerce's financials could continue amid expanding customer base and rising average revenue per customer. Meanwhile, Lightspeed Commerce's management expects its revenue to grow by 35-40% in this fiscal, while its adjusted EBITDA losses could fall to 5% of its total revenue.

So, despite its near-term volatility, long-term investors can accumulate Lightspeed Commerce to earn superior returns.

CATEGORY

1. Investing

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2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:BB (BlackBerry)
4. TSX:GSY (goeasy Ltd.)
5. TSX:LSPD (Lightspeed Commerce)

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1. Investing

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