Got $500? 3 Excellent Stocks to Buy

Description

Inflation is the enemy of the cash sitting idle in your bank accounts. The higher the inflation, the more it erodes the purchasing power of your money. Even if you are earning interest on that cash, it will be a fraction of what you are losing over time.

The best way to neutralize the impact of inflation is to grow your cash at a higher rate. And you don't have to wait for your cash to pile up before you start investing to save your money from inflation. You can invest whatever sum you have because the longer it sits in your bank account as cash, the more value it loses. And in a good stock, even a relatively small sum of $500 can outpace inflation.

A prime credit portfolios company

With about $31 billion in assets under management (AUM) and over a hundred corporate partners (U.S. financial industry), the core focus of Toronto-based **ECN Capital** (TSX:ECN) is prime credit portfolios. It partners primarily with U.S.-based financial institutions, including banks and credit unions, and already has a solid customer base. It offers two solutions: secured consumer loan portfolios and credit card portfolios.

And since it only chooses to work with prime credit, the chances of defaults and resulting financial blows are relatively low. This has been the engine for ECN Capital stock's growth (before and after the pandemic) so far.

The stock has gone through a brutal correction, which has also made it quite attractively valued. And if it's going to replicate its former growth pace, even a $500 investment can become quite substantial over time.

An Australian iron company

Champion Iron (TSX:CIA) might be an Australian company by origin, but all of its major projects are in Canada, with the flagship project in Quebec. Iron's primary use nowadays is steelmaking, and it's almost an evergreen industry due to its diverse uses. And even though not all iron or steel stocks reflect this strength, Champion Iron does (to an extent).

Since its inception, the stock has mostly gone up. It has grown over 650% in the last five years alone, and if you had invested $500 in the company in mid-2017, you would have grown it to over $3,000. That's half the total TFSA contribution for most years. And since it's trading at around $7 per share, you will be able to pick up a decent number of units.

A specialty real estate company

Thanks to its real estate focus on storage spaces, **StorageVault Canada** (TSX:SVI) is counted among the leaders in the real estate industry despite a $2.35 billion market cap. The company has created a powerful portfolio of over 96,000 storage units spread out over 630 acres. It also has eight brands under the StorageVault umbrella, each with its own unique strength and regional focus.

The company is a leader in the storage space market segment of real estate, with very limited competition and apparently, a stable business. Its finances have been growing quite steadily, though they are outmatched by the capital growth the stock is offering to its clients (hence the usual overvaluation). $500 in this stock left alone for years, preferably decades, can turn into a substantial sum.

Foolish takeaway

From Canadian domestic stocks like StorageVault to foreign companies like Champion Iron, the TSX is home to numerous investments that might be a perfect fit for your $500 capital. These companies won't just help you grow your capital faster than inflation can deplete it, but they could help it grow at a decent enough pace to build a sizeable nest egg.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:SVI (StorageVault Canada Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothman
2. kduncombe

Category

1. Investing

Date
2025/07/23
Date Created
2022/06/08
Author
adamothman