



Got \$300? 2 Simple TSX Stocks to Buy Right Now

Description

The time is ripe to [invest in stocks](#) before the market recovery begins or the recession gains its roots in the economy. Do you have \$300? Then here is an optimal way to spend it and get stable and long-term returns. No, it's not the best gadgets to buy for under \$300. Gadgets will depreciate and lose their value in three years. It's an equity investment right now will give good inflation-beating returns in three years.

Two TSX stocks to buy now

The stock market underwent a significant correction as the pandemic bubble burst, and fears of looming recession have created panic among investors. The golden rule of equity is buying the dip and selling the rally. But this rule only works on value stocks with strong [fundamentals](#). I have identified two value stocks that can grow your money in the next three years.

- **TransAlta Renewables** ([TSX:RNW](#))
- **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#))

TransAlta Renewables

These are difficult times. An investment that gives regular income is welcoming in this environment. TransAlta Renewables gives you that assurance with monthly dividends. The company pays these dividends from its fully contracted power-generation facilities. As the company acquires and develops wind, natural gas, hydro, and solar power-generation facilities, it has a better opportunity to grow in the industry-wide shift from fossil fuel to green energy.

Like all stocks, TransAlta has its risks. For instance, wind and solar energy are dependent on climate conditions. Lower power generation due to weather conditions could reduce its earnings in a particular quarter. However, this won't impact its dividends. Moreover, the increasing government support for wind and solar energy will help TransAlta accelerate new project developments.

The stock is currently trading near its 52-week low, as panic from the oil supply crunch has pushed investors' attention to oil stocks. This is a perfect opportunity to buy TransAlta stock and lock in a 5.58% dividend yield. The company has government support, [regular cash flow](#), and growing adjusted EBITDA.

Like most energy stocks, TransAlta doesn't give significant growth. But it does see a brief period of growth whenever the government announces support for green energy. You could see a 30-40% upside in the next growth phase.

Descartes stock

Unlike TransAlta, Descartes stock is in a long-term growth trend. The company digitizes supply chain management and logistics solutions. Descartes provides all supply chain management solutions from planning routes to e-commerce shipping to custom compliance. The company has clients across verticals and geographies. Some clients are large, and some are small. Some take end-to-end solutions, and some take one or two solutions for one shipment.

This 360-degree diversification in client base and product offerings makes Descartes a resilient stock. Its stock performance is directly proportional to economic growth. The stock outperforms the market because the company has a strong balance sheet and growing profits. It took a setback in the tech stock selloff and global supply chain disruption, which pulled it down 35% from its all-time high.

The next few months are volatile for Descartes, as a global recession could slow trade. But the stock will recover as supply chain issues ease. It bounced 53% after the United States-China trade war in 2018 and over 50% in the September 2008-September 2010 period of the Great Recession and recovery.

Going through ups and downs the stock has given an average annual return of 30% in the last five years. Descartes is a stock to buy in a dip, as it has the potential to bounce back in recovery.

What to expect

If you invest \$300 in the above two stocks, you can get a mix of growth and dividends. The amount invested in Descartes could grow 50-100% in three to five years. The amount invested in TransAlta could give you an annual income of 5.58%, plus a 5-8% capital appreciation. In three years, your \$300 could become \$580.

You can compound your earnings by investing \$300 every month in two top stock picks of the month.

CATEGORY

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2. Stocks for Beginners

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)

2. TSX:DSG (The Descartes Systems Group Inc)
3. TSX:RNW (TransAlta Renewables)

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