Got $300? 3 Cheap Stocks to Buy Right Now

Description

Investing regularly in stocks, even with a small amount, can help you create significant wealth over the long term. For instance, a $300 monthly investment fetching a modest return of 12% per annum can turn into $151,373 in 15 years. This is the power of compounding and the benefit of a disciplined investment approach.

So if you can spare $300 per month, here are three cheap stocks with upside potential.

Telus

Telus (TSX:T)(NYSE:TU) is a solid long-term investment to play the 5G revolution. Moreover, its ability to generate profitable growth supports its stock price and robust dividend payments. Telus, through its aggressive broadband investment program, continues to expand its PureFibre network and enhance the coverage and speed of its 5G capabilities. This, in turn, strengthens its competitive positioning and drives customer growth.

Telus is well-positioned to deliver solid capital gains for its shareholders. Meanwhile, the telecoms giant continues to enhance its shareholders' returns through its dividend-growth program. It is worth mentioning that Telus has returned over $21 billion to its shareholders since 2004 through dividends and share buybacks. Meanwhile, its dividend is yielding about 4.7% at current levels.

Overall, Telus's diverse revenue streams, ability to grow its customer base, investments in expanding its 5G network, operating efficiency, and solid dividend payment history make it an attractive investment in the long term.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) operates a conservative business but delivers solid returns to its shareholders. For context, Algonquin Power has delivered a total shareholder return of 101% in the past five years. Moreover, this less volatile stock is well-positioned to deliver strong earnings in the coming years and enhance its shareholders' returns.

Algonquin owns and operates rate-regulated and contracted energy assets that generate solid cash flows and are relatively immune to economic cycles.

Looking ahead, Algonquin Power expects its rate base to grow at an average annualized growth rate of 15% in the next five years. This growth will likely expand its earnings base and support its growth initiatives and dividend payments.

Algonquin expects its earnings to grow at a CAGR of 7-9% in the medium term, while its dividend payout ratio of 80-90% is sustainable in the long run. Besides capital appreciation, investors can benefit from its solid dividend yield of 5.5%.

Lightspeed

The recent selling in tech stocks has led to a substantial decline in Lightspeed (TSX:LSPD)(NYSE:LSPD) stock. This decline has created an opportunity to buy the shares of this high-growth company at a significant discount.

Despite tough comparisons, Lightspeed continues to deliver strong organic sales. Meanwhile, benefits from acquisitions further support the growth of this cloud POS service provider.

Lightspeed is confident about delivering 35-40% organic growth in FY23, which is positive. Further, recent acquisitions will likely bolster its growth.

Overall, the structural shift in selling models towards the omnichannel platforms, its growing merchant solutions, and its focus on entering new verticals and regions bode well for growth. Also, its ability to drive higher revenues from existing customers, growing penetration, and selective acquisitions will likely accelerate its growth.

Shares of Lightspeed are trading at a next 12-month EV/Sales multiple of 2.9, which is significantly low, making it attractive on the valuation front.

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1. Investing
2. Stocks for Beginners

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2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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