



Where to Invest \$500 in the TSX Right Now

Description

Contrary to popular belief, you don't have to make sizable investments in equities to generate significant profits. You can make do with \$500, as long as you choose stocks carefully.

While bearish market trends in 2022 have spooked investors from purchasing stocks, choosing fundamentally sound companies trading on the TSX can help you reap a substantial return on investment.

Let's look at a few TSX stocks you can buy in August 2022.

Oil stocks for the win

The Russia-Ukraine war resulted in volatile oil prices this year. Several sanctions were imposed on Russia, the world's second-largest oil exporter. The country reiterated a commodity war through restricted oil imports in response to the economic sanctions.

As a result, global crude oil prices have been witnessing immense fluctuations since the war began. However, this has been beneficial for the energy-heavy Canadian stock market. Several Canadian oil and gas companies are benefitting from the surging global demand, driving share prices and profit margins towards multi-year highs.

Calgary-based **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is one of the best-performing oil stocks on the TSX right now. The stock is up a whopping 72.7% over the past year and 30.52% year to date, beating the benchmark S&P/TSX Composite Index by a wide margin. Suncor's stock price closed yesterday's trading session at \$41.31.

Suncor's profit margins have also expanded at an aggressive pace. In the first quarter, the company generated the highest quarterly adjusted funds from operations in history at \$4.1 billion. Analysts expect the company's EPS to rise 433.3% year-over-year in the second quarter. Also, the annual consensus EPS estimates indicate a 240.2% improvement year over year.

Investors can also benefit from periodic dividend payouts if you invest in Suncor. The stock yields a handsome 4.64% on a \$1.49-per-share annual dividend payout.

Tech revival: One beaten-down stock to buy and hold

The tech space has seemingly borne the brunt of the ongoing market correction, with most stocks wiping out the entire pandemic-era gains. The hawkish monetary policies have been a major factor behind the recent tech rout, as central banks globally keep raising their benchmark interest rates. The Bank of Canada announced a supersized 1% rate hike last month, dampening investor sentiment regarding tech stocks further.

However, the steep selloff has one silver lining; fundamentally sound [tech stocks](#) are trading at deep discounts. One such example is **Shopify** ([TSX: SHOP](#))([NYSE:SHOP](#)).

Currently trading at \$53.85 at writing, the Canadian e-commerce stock has declined more than 69% in price year to date. However, the stock is now trading just 9.68 times its forward sales, which is reasonable. Also, the stock is trading just 5.52 times its book value, which is lower than industry peers.

As the Canadian economy is relatively resilient to the latest recession fears, SHOP stock is expected to bounce back in no time. In fact, the stock is already showing signs of recovery, having gained more than 25% over the past month.

In addition, over the past five days alone, SHOP is up 19.22%. This comes as tech stocks make a strong comeback, with the U.S.-based Nasdaq Composite Index recording its best-ever monthly performance in two years in July 2022.

The company's revenues are up 13% year over year in the second quarter of 2022. Though this lags consensus estimates, it represents strong consumer spending trends. Shopify's management recently stated, "We expect our multi-channel superpowers and strong value proposition will continue to help our merchants in this environment, and we are excited about our critical investments, like Deliverr, that we believe will position us well for the future of commerce."

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:SU (Suncor Energy Inc.)

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