Canadian Investors: Where to Put $100 Right Now?

Description

In the last few months, rising energy and commodity prices have driven inflation to multi-year highs. Investors are worried that the Bank of Canada's policy to hike interest rates and combat inflation might result in reduced corporate earnings and trigger a recession.

So, where do you invest $100 in an inflationary and challenging macro-economic environment? I have shortlisted three TSX stocks that you can buy with as little as $100 right now.

AltaGas

Founded in 1994 with a seed capital investment of $37,000, **AltaGas** (TSX:ALA) is a Canada-based energy infrastructure giant with more than $20 billion in assets across North America. It started as a midstream business and has expanded into the utilities sector serving over 1.6 million customers in the U.S.

AltaGas is focused on maintaining a strong balance sheet which in turn allows the company to create value for shareholders by minimizing its cost of capital. It owns and operates high-quality, long-lived energy infrastructure and utility assets that provide stable cash flows and earnings across business cycles. Around 75% of its EBITDA is backed by medium- to long-term contracts making AltaGas a top bet in 2022.

Shares of AltaGas have gained 15.3% in the last year. Further, the company also offers investors a forward dividend yield of 3.6%. AltaGas stock is valued at 15 times forward earnings and is trading at a discount of 20% compared to consensus price target estimates. The stock is priced at $29 at the time of writing.

Lithium Americas

The demand for Lithium has soared in recent years as the elemental metal is used to produce electric vehicle batteries. In 2021, lithium prices rose 400% and have continued to gain pace in 2022 as well.

Due to the rising demand for EVs, lithium production is forecast to double in the next five years, making mining stocks such as **Lithium Americas** (TSX:LAC)(NYSE:LAC) solid bets in 2022. Several legacy auto manufacturers like **Ford**, **Tesla,** and **Volkswagen** have plans to increase manufacturing capabilities for their EV lineups going forward.

This secular trend has led to an uptick in share prices of lithium producers, including Lithium Americas, which has gained close to 80% in the last year.

Lithium Americas does not generate any revenue and remains a highly speculative bet. The metals mineris building lithium extraction sites in Argentina and conducting a feasibility study on a site in Nevada.

Shares of Lithium Americas are currently priced at $38.

Kinross Gold

The final stock on my list is **Kinross Gold** (TSX:K)(NYSE:KGC), a company engaged in the acquisition, exploration, and development of gold properties in the U.S., Russia, Brazil, Ghana, and Chile. Valued at $5 billion by market cap, Kinross Gold offers investors a tasty dividend yield of 3.4%, making the stock attractive to income-seeking investors.

Gold is viewed as a store of value and a hedge against inflation. So, gold mining stocks such as Kinross should outpace the broader markets when commodity prices are elevated.

Kinross expects its cost structure to decline in the second half of 2022, driven by planned increases in production across the company's portfolio. In Q2, it improved its overall liquidity position by lowering debt by US$120 million, and Kinross expects to repay between US$300 million and US$400 million in the next two quarters.

Kinross Gold stock is priced at $4.36 and is trading at a discount of almost 200% compared to analyst price target estimates.

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