



Got \$250? Here Are 3 Smart Stocks to Buy Now

Description

The stock market has been blowing [hot and cold](#) due to fears of a potential recession, triggered by multiple rate hikes. Nevertheless, the **TSX** has no scarcity of buying opportunities. Assuming you only have \$250 to invest, you can buy three smart stocks from different sectors today.

Energy

Whitecap Resources ([TSX:WCP](#)), which is in the [energy sector](#), is an interesting buy. At \$9.40 per share, current investors are up +28.55% year to date and partake of the generous 4.69% dividend. Market analysts covering WCP forecast an average return potential of nearly 63% to \$15.32 in 12 months.

The funds flow of this \$5.81 billion oil-weighted growth company is overflowing this year. In the six months ended June 30, 2022, it reached \$1.18 billion, which represents a 160.24% year-over-year increase. Net income for the same period grew 2,604.7% to \$1.03 billion compared to the first half of 2021.

In the second quarter (Q2) 2022, Whitecap's capital expenditures were only \$88 million, but it generated \$589 million of free funds flow. The total dividend payment of \$56 million during the quarter was 94% (on a per-share basis) higher from Q2 2021. With the expected closing of the transaction to acquire XTO Energy Canada by Q3 2022, management expects its free funds flow profile to further improve.

Communication services

Stingray Group ([TSX:RAY.A](#)) deserves serious attention, notwithstanding its underperformance (-18.55% year to date). If you invest today, the share price is \$5.49, while the dividend yield is a hefty 5.46%. The \$475.73 million company is a global music, media, and technology company with over 400 million subscribers in 160 countries.

In Q1 fiscal 2023 (three months ended June 30, 2022), total revenues and net income increased 21.6% and 123.7% versus Q1 fiscal 2022. Stingray's president, co-founder, and chief executive officer (CEO) Eric Boyko said, the overall business continued to gain momentum in the first quarter due to the strength of the InStore Audio Network (ISAN) acquisition.

According to Boyko, the strategic acquisition has a large retail network in the U.S. (16,000 grocery stores and pharmacies). More importantly, it's proving to be a game changer, as ISAN delivered an organic growth of 55% year over year. Besides the expected healthy cash flows from recovery of the radio segment from short-term disruptions, Stingray will continue to grow its high-margin digital business.

Technology

Quarterhill ([TSX:QTRH](#)) trades at a deep discount (\$1.85 per share) but pays a decent 2.65% dividend. The \$211.73 million company provides tolling and enforcement solutions in the intelligent transportation system (ITS) industry. Its subsidiary, Wi-LAN Inc., is a leader in intellectual property licensing.

In the first half of 2022, total revenue (ITS and licensing) increased 456% to \$212.37 million versus the same period in 2021. Notably, net income was \$33 million compared to the \$10.66 million net loss from a year ago.

Quarterhill's CEO Bret Kidd said, "We expect our top-line and margin performance to improve in the future." He added that even if the economy enters a prolonged recession, the company would continue to move forward because of the long-term infrastructure projects with stable customers.

Mild recession

Royal Bank of Canada said that while a recession is inevitable by 2023, it could be mild and short-lived by historical standards. However, RBC added that it should also reverse once inflation settles enough for central banks to lower rates.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:QTRH (Quarterhill Inc.)
2. TSX:RAY.A (Stingray Group Inc.)
3. TSX:WCP (Whitecap Resources Inc.)

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Date

2025/08/13

Date Created

2022/09/11

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