



## The Smartest Stocks to Buy With \$20 Right Now and Hold Forever

### Description

The [market volatility](#) that we've seen for much of 2022 has made it an ideal time to buy some great stocks at discounted prices. In fact, some of the smartest stocks to buy on the market are priced perfectly so new investors can swoop in and buy them for just \$20.

Here's a look at some of the stocks to consider buying right now to hold forever.

### Renewable energy can make you rich

Renewable energy stocks are some of the most intriguing and fascinating investments on the market. Indeed, they can provide lucrative long-term growth to investors, while adhering to the incredibly stable utility business model.

And that's just part of the reason why **TransAlta Renewables** ([TSX:RNW](#)) is one of the smartest stocks to buy right now. TransAlta operates a growing portfolio of over 40 renewable energy facilities that are located across Canada, the U.S., and Australia. The facilities include multiple renewable energy types such as wind, solar, hydro, and gas.

Perhaps best of all, the facilities are bound by the same long-term regulatory contracts that apply to traditional utilities. In other words, for as long as TransAlta keeps the power running, it generates a stable and recurring revenue stream.

That revenue stream allows TransAlta to invest in growth and pay out a juicy dividend.

That dividend currently provides an appetizing 6.96% yield, which is paid out on a monthly cadence. This makes TransAlta one of the [highest-paying dividends](#) on the market.

Like most of the market, TransAlta has dropped during 2022. In fact, TransAlta's dip amounts to nearly 30% year to date, making it a superb discounted pick. As of the time of writing, TransAlta trades at just over \$13 per share.

## Long-term growth and immediate opportunity

**Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) is a second option for prospective investors looking for the smartest stocks to buy for \$20. As of the time of writing, Manulife trades just above \$21 per share, but that shouldn't defer growth and income-seeking investors.

Manulife is the largest insurer in Canada. The company also has a growing presence in Asia, which is the primary source of Manulife's long-term growth strategy. Specifically, Manulife has established agreements with banks across Asian markets. Those banks act as the exclusive purveyors of Manulife's products, which are in high demand.

This has allowed Manulife to quickly expand into multiple markets across Asia very quickly.

Year to date, Manulife's stock has dropped 9%, which fares slightly better than the 12% that the market is down. Apart from overall market volatility, Manulife's dip could be traced back to the latest quarterly earnings report in August. In that update, Manulife's revenue and profit numbers were sharply lower than in the prior period.

That drop was due to the ongoing pandemic-related closures that were occurring across Asia this past summer. Fortunately, markets are once again open, and the next set of results expected in a few weeks should be far better.

Finally, let's talk about income. Manulife isn't just a growth stock. Manulife offers a juicy quarterly dividend to investors, which boasts a yield of 5.98%. The company has also provided generous annual upticks to that dividend over the years. For example, late last year Manulife treated investors to a whopping 18% dividend hike.

In short, Manulife is one of the smartest stocks to buy right now, and all it takes is \$20 to start.

## Final thoughts

Identifying some of the smartest stocks to buy takes time and patience. It also takes an understanding that every single investment carries some risk. That includes both Manulife and TransAlta.

In my opinion, one or both stocks should be part of a larger, well-diversified portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)
3. TSX:RNW (TransAlta Renewables)

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