



The Best Stocks to Buy With \$500 Right Now

Description

Have you bought all your holiday presents but still have some cash left over? Why not buy a gift for yourself? If you have a long time horizon, buying stock in a high-quality business can be a very profitable way to reward yourself and grow your wealth.

In fact, with as little as \$500, you can build a [diversified investment portfolio](#). Here are three stocks you can buy with \$500 and reap both dividends and capital upside in the years ahead.

A top Canadian dividend stock

It never hurts to have some [dividend income](#) in any portfolio. **Brookfield Renewable Partners** ([TSX:BEP.UN](#)) stock has fallen nearly 17% in 2022. While I would not call it “cheap,” it is one of the highest-quality renewable power stocks you can find.

It owns enviable hydro assets that are complemented by a global portfolio of wind, solar, battery, and distributed generation assets. It just acquired a stake in one of the world’s largest nuclear power service providers, so it is positioned to be a leader in that space as well. It has a huge backlog of development projects that could provide decades of growth.

Brookfield Renewable pays a 4.56% dividend yield right now. The company has a long history of growing its dividend by around 6% a year. This is a great business with an attractive combination of growth and income at a decent price today.

A top value stock

With global energy security a massive worry, **Canadian Natural Resources** ([TSX:CNQ](#)) is a part of the solution. With over 1.3 million barrels of oil/gas in production a day, CNQ is one of Canada's largest energy producers.

While it is not the cheapest Canadian energy stock, it is one of the highest-quality and best-managed

ones. Despite rising 44% this year, it still only trades with a [price-to-earnings \(P/E\) ratio](#) of 7.4. Oil stocks have been pulling back as of late, so I would maybe add on a dip.

CNQ stock pays a 4.2% dividend right now. It has raised its base dividend twice this year and paid a special dividend. It has a 23-year history of consistently growing its dividend, which is exceptional for an oil stock.

A top GARP price stock

If you are looking for growth at a reasonable price (GARP), **Calian Group** ([TSX:CGY](#)) is an attractive stock. Calian operates four core businesses focused on healthcare, training, advanced technologies, and cybersecurity. Its diversified business model has helped provide steady growth and expanding [profitability](#).

Over the past five years, Calian has compounded revenues and adjusted income respectively by 16% and 23% annual rates. Despite such strong results, the company trades lower than its growth rate with a P/E ratio of 15. It also pays a nice 1.8% dividend. This stock is a great bargain for investors looking for steady growth over a long time horizon.

The bottom line

All these stocks have reasonable prospects for double-digit returns in the coming years. While they are from differing industries, they all have strong businesses, good balance sheets, smart managers, and opportunities to keep growing. They all pay decent dividends, so investors can also earn a decent amount of cash along the way.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:CGY (Calian Group Ltd.)
3. TSX:CNQ (Canadian Natural Resources Limited)

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