



The Smartest Stocks to Buy With \$20 Right Now

Description

When [market volatility](#) hits, we tend to focus on the shorter-term impact on our portfolios. What we often dismiss is the longer-term impact. More specifically, we dismiss how some of the smartest stocks to buy on the market now trade at discounted levels.

Here are some of the smartest stocks to buy now that can be purchased for as little as \$20.

Renewable energy is a great long-term investment

The need for sustainable, renewable energy has grown in importance over the past decade. And as governments around the world impose cleaner standards for electricity generation, traditional utilities are scrambling to transition to renewables.

In the case of **TransAlta Renewables** ([TSX:RNW](#)), that transition is a non-event. TransAlta operates a renewable portfolio of over 45 sites located across Canada, the U.S., and Australia.

Like its fossil fuel peers, TransAlta's sites are bound by long-term regulatory contracts that often span several decades in duration. This means that the company generates a recurring and stable revenue stream.

It also means that TransAlta can invest in growth initiatives and pay out a juicy dividend rather than the massive transitional costs utilities are straddled with.

Like all investments, TransAlta is not without some risk. Rising interest rates have pushed much of the market, including TransAlta, lower. In short, utilities are an expensive business that are heavily reliant on taking on debt to expand. With debt servicing now costing more, it can slow down expansion plans and restrict spending.

As a result, TransAlta has dropped over 27% in the trailing 12-month period. As of the time of writing, the stock trades at just over \$12. This not only makes the stock incredibly discounted, but it's one of the smartest stocks to buy right now.

In terms of income, TransAlta offers investors a monthly payout that currently carries a juicy yield of 7.59%. This means that a \$25,000 investment in TransAlta will generate an impressive monthly income of \$158.

Here's an investment you may not have considered yet

Acadian Timber ([TSX:ADN](#)) is an intriguing option that often escapes the radar of most investors. For those that are unaware, Acadian Timber owns and manages timberland across Canada and the northeastern parts of the U.S.

The company boasts a whopping 2.4 million acres of land under its management. The company's products include both softwood and hardwood sawlogs in addition to pulpwood and biomass by-products.

Rising costs, coupled with a volatile market have resulted in Acadian's stock price dipping over 8% in the trailing 12-month period.

In other words, there's an opportunity to buy Acadian right now at a good discount. Also, prospective investors should note that Acadian operates a stable and mature business that is less prone to disruption. And that's not the only reason investors may want to jump on the stock.

Acadian offers a juicy dividend that carries a yield of 6.78%. This means that even a \$20,000 investment in the company will generate over \$1,350 in the first year.

In short, Acadian is a great stock to consider and one of the smartest stocks to buy now.

The smartest stocks to buy

Both Acadian and TransAlta offer investors a stable, if not growing source of revenue and a juicy dividend. And they are both trading at good discounts right now.

In my opinion, this makes them both some of the smartest stocks to buy now.

Buy them, hold them, and watch them grow as part of your larger, [well-diversified portfolio](#).

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:ADN (Acadian Timber Corp.)
2. TSX:RNW (TransAlta Renewables)

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