3 of the Best Under-$100 Canadian Stocks to Buy Right Now

Description

One misconception that many people have is that it takes a lot of money to invest in the stock market. It is true that the Canadian market is near an all-time high right now, but that doesn't mean you need a fortune to be a buyer today. Canadian investors have plenty of options to pick up shares of top companies at a discount.

The trick is to have a thought-out plan for how often you'll be adding to your positions. There's absolutely nothing wrong with starting small, but you're going to want to add to your winning positions over time.

If $100 is the max you can invest in today, that's no problem. I've put together a list of three top Canadian stocks that are all trading below $100 a share right now. They might not be at these prices for long, so you'll want to take advantage while you can.

Bank of Nova Scotia

You can't go wrong with starting a position in any of the major Canadian banks today. They're dependable, own quality dividends, and have the potential to drive market-beating growth over the long term. They're not all trading below $100 a share, though.

Scotiabank (TSX:BNS)(NYSE:BNS) is on my radar right now. The bank owns a 4.5% dividend yield at today's stock price. But it's Scotiabank's presence in Latin America that has it sitting at the top of my watch list.

I see Latin America as a massive growth opportunity for that bank. Scotiabank stock has lagged the market over the past five years, but I'm betting that that's going to change over the next five.

Enghouse Systems

The tech sector has had a rough start to the year, so it's no surprise to see a tech company in my basket of sub-$100 stocks.

Shares of **Enghouse Systems** (TSX:ENGH) are down 15% year to date and down more than 30% below all-time highs in 2020. The tech stock went on an incredible bull run following the COVID-19 market crash last year but is having trouble maintaining those gains.

Even amid its recent struggles, I'm still banking on Enghouse Systems to be a market beater over the long term. Shares are still up nearly 100% over the past five years, which is good enough for more than doubling the returns of the broader Canadian market.

I believe the tech stock's valuation got ahead of itself during the incredible bull run last year. Demand for many of the company's products surged early on in the pandemic, which translated into accelerated stock price appreciation.

The reason why I've got this tech stock at the top of my watch list is because it's a bargain from a valuation perspective. It's trading at a forward price-to-earnings ratio below 30, which is far cheaper than what you'll pay to own any top growth stock on the **TSX**.

TransAlta Renewables

Last on my list is a renewable energy stock trading far below $100 a share right now.

The rise in green energy is a trend that I think we'll continue to see for many more years. We've been witnessing the growth of the entire sector for several years now, but that growth really took off in 2020.

Canadian investors saw all types of companies in the sector reach all-time highs in stock price last year.

TransAlta Renewables (TSX:RNW) is certainly not the most talked-about green energy stock on the TSX, but that may change in the coming years. The company is still only valued at a market cap of $3 billion, which is far below the top Canadian players in the sector, leaving plenty of room for future growth.

Just like the tech sector, renewable energy stocks have been experiencing a sell-off over the past few months. If you're a long-term investor, this is one sell-off that you're going to want to take advantage of.

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3. TSX:ENGH (Enghouse Systems Ltd.)
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ndobroruka