The 3 Best Canadian Stocks to Buy for $50 or Less

Description

Investing in the stock market can be intimidating for new investors. I certainly won't argue that, having been there at one point in my life. One myth I would argue against is that it takes a significant amount of cash to build a portfolio of stocks.

Even after an incredible bull run through the first six months of the year, Canadians can still pick up shares of top companies at a reasonable price today. The market is trading at all-time highs today, up 15% year to date and close to 30% over the past year. However, $50 is more than enough money to begin building an investment portfolio.

Whether you're new to stocks or a seasoned investor, this is a list of companies you'll want to have on your radar. Why I'm suggesting these companies specifically for new investors is because of their price. Each of the three companies is trading today at a price of $50 per share or less.

WELL Health Technologies

Not many Canadian stocks could match the growth of **WELL Health Technologies** (TSX:WELL) last year. The telemedicine stock was up a market-crushing 400% in 2020 alone. Year to date, though, shares have been trailing the market's returns.

WELL Health was at the forefront of the rise of telemedicine last year. We had already been witnessing growth in the industry in recent years prior to 2020. The pandemic only expedited that growth.

As countries across the globe are now nearing their reopening, it's not surprising to see stocks across the telemedicine industry trading below all-time highs. It's natural to see a cooling-off period after a massive surge in growth in such a short period of time.

At a share price below $10, WELL Health is a great pick for anyone new to stocks. Newer investors can start small by picking up a handful of shares, adding to the position over time as they become more comfortable with the public market.

Algonquin Power

At a market cap of $10 billion, **Algonquin Power** (TSX:AQN)(NYSE:AQN) is a much larger and more mature company than WELL Health. It likely won't be able to keep up with the telemedicine industry's growth, but it's a dependable investment you can count on year after year.

What makes Algonquin Power such a dependable investment is the industry it's in. The company is a utility provider, which means revenue streams are predictable. As a result, utility stocks are likely going to be some of the least volatile investments you'll have in your portfolio.

Don't let the slow-growing utility industry fool you into thinking Algonquin Power can't deliver market-beating growth, though. Due to the company's renewable energy part of the business, this stock has a growth element to it.

Shares are up close to 60% over the past five years, compared to the market's 40% return. And that's not even including Algonquin Power's juicy 4.5% dividend yield, either.

Dye & Durham

Last on my list is the most expensive stock of the three. Not only is **Dye & Durham** (TSX:DND) stock trading close to $50 a share, but its valuation has it ranked among the most expensive on the **TSX** today.

Shares of the tech company are up a market-beating 200% since it became a public company just one year ago. It's been a successful first year for the stock, but its high-growth demands a steep price for investors.

Dye & Durham may only be trading at $50 a share, but its valuation poses a certain level of risk to investors. A price-to-sales ratio of above 20 is where most top growth stocks on the TSX are trading, including Dye & Durham.

Even at this valuation, I'm still bullish on Dye & Durham over the long term and believe it has many more years of market-beating growth ahead of it. But investors should be prepared for a volatile ride as long as it's trading at these prices.

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