4 Growth Stocks to Stash in Your TFSA for the Long Term

Description

The Tax-Free Savings Account (TFSA) serves as one of the most attractive options for pursuing big growth in the stock market. It is still a relatively new investment vehicle for Canadians, but those that use it aggressively have the potential to experience enormous tax-free capital gains well into the future.

Let's review some of the most attractive options to buy for your TFSA portfolio.

Shopify Inc.

Shopify Inc. (TSX:SHOP)(NYSE:SHOP) has made waves since its initial public offering in 2015. Shares have climbed 331% since March 2015 and shot up 161% this year alone. The stock saw a huge boost after Shopify released its second-quarter results on August 1. The results blew away expectations with revenues experiencing growth of 75% and the company posting a lower-than-expected operating loss.

Shopify is in a fantastic position to benefit from the continuing rise of e-commerce. The company offers a software platform and retail point-of-sale systems for small businesses. The more successful the small business, the more income is generated for Shopify. This is an exciting new company that could reward investors handsomely in the long term.

Dollarama Inc.

The Montreal-based Canadian dollar retail chain **Dollarama Inc.** (TSX:DOL) has seen its stock rise 39% in 2017 as of close on September 19. The company has posted consecutive quarterly results that surpassed analyst expectations. Dollarama released its second-quarter results on September 7 and reported a sales increase of 11.5% to $812.5 million. Operating income experienced 24.1% growth to $191.9 million from Q2 2016.

Dollarama began to accept credit cards in the second quarter, and average basket size was up 5.9% compared to regular cash transactions. Higher-price-point items also performed very well. Dollarama has shown robust growth following the Financial Crisis, bucking the trend of other retail giants that have struggled. Its long-term outlook continues to look very strong.

Gildan Activewear Inc.

Gildan Activewear Inc. (TSX:GIL)(NYSE:GIL) is a Montreal-based clothing manufacturer. Gildan Activewear purchased American clothing company American Apparel for $88 million in 2017. The company released its second-quarter results on August 3. Net sales increased 4% to $715 million from Q2 2016, and operating margin was up 200 basis points. Gildan also posted net earnings of $107.7 million, or $0.48 per share, compared to $94.7 million, or $0.40 per share, the previous year.

Gildan stock has increased 21.9% in 2017 and 12.5% year over year. The stock also boasts a dividend of $0.09 per share, representing a 1.2% dividend yield.

Canada Goose Holdings Inc.

Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS) posted its fiscal 2018 first-quarter earnings on August 10 and, for the second time in a row, saw a smaller-than-expected loss. Direct-to-consumer sales and sales from the wholesale business also experienced impressive growth. The stock has risen 12.8% since its initial public offering in March. Canada Goose launched its own knitwear to branch out its seasonal offerings, and sales should see a boost heading into the holiday season. After some late-summer jitters, I like the Canada Goose luxury brand going forward as its earnings continue to impress.

CATEGORY

1. Investing

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1. NYSE:GIL (Gildan Activewear Inc.)
2. NYSE:GOOS (Canada Goose)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:DOL (Dollarama Inc.)
5. TSX:GIL (Gildan Activewear Inc.)
6. TSX:GOOS (Canada Goose)
7. TSX:SHOP (Shopify Inc.)

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