Millennials: 3 Stocks to Stash in Your TFSA

Description

Millennials have entered the workforce during a transformative phase that has accelerated since the 2007-2008 financial crisis. The “gig economy” is a labour market characterized by the prevalence of temporary positions in the form of short-term contracts or freelance work as opposed to permanent positions. There are advantages and disadvantages to this environment, and millennials will need to work to fine-tune their investment strategies.

A survey conducted by TD Insurance found that 32% off Canadian millennials cited the lack of a pension plan as one of the key concerns of working in the gig economy. This environment will force millennials to adapt and take a more active role in their investments.

Today we are going to look at three stocks that millennials should consider adding to their TFSA or RRSP going forward. These equities offer a combination of capital growth potential, income, and long-term stability.

Jamieson Wellness Inc. (TSX:JWEL)

Jamieson Wellness is a manufacturer, distributor, and marketer of sports nutrition products and specialty supplements. Shares of Jamieson were up over 50% year-over-year as of close on June 19. This company should be on the radar of millennial investors because it is in a great position to thrive off of the demographic transformation that is shaping their own lives.

The baby boomer demographic, which is the second-largest in North America after millennials, is the target market for the supplements industry. Jamieson reported 7.8% organic growth in its revenue in the first quarter of 2018. Adjusted EBITDA rose 11% to $12.7 million and adjusted net income soared 165.4% to $5.8 million.

Jamieson also offers a quarterly dividend for those seeking income. The company announced a dividend of $0.08 in the first quarter, representing a 1.2% dividend yield.

Royal Bank of Canada (TSX:RY)(NYSE:RY)

Recommending Canadian bank stocks may inspire an eye roll, but the value is always there in terms of consistent capital appreciation and income generation. Royal Bank stock was in negative territory as of close on June 19, but the stock has more than tripled since bottoming out at the peak of the financial crisis.

Royal Bank is the largest in Canada in terms of total assets. In the second quarter, it saw net income rise 9% year-over-year to $3.06 billion, while posted diluted earnings-per-share growth of 11%. These profit machines are unlikely to be tripped up by slowing mortgage growth as rising rates have helped to improve margins. The stock also offers a quarterly dividend of $0.94 per share, representing a 3.6% dividend yield.

Aurora Cannabis Inc. (TSX:ACB)

On June 19, the Canadian Senate voted to pass Bill C-45, which legalizes recreational cannabis by a vote of 52-29. This paves the way for full recreational legalization within 8 to 12 weeks. Aurora Cannabis has positioned itself as the largest producer in the world, although it was forced to pay top dollar for its large acquisitions in 2018.

The stock was still in single-digits as of close on June 19. The Cannabis industry will face challenges during the rollout in Canada, but over the long-term, it will be hard to bet against this market. Aurora deserves to be in the portfolios of young investors for the long haul.

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1. NYSE:RY (Royal Bank of Canada)
2. TSX:ACB (Aurora Cannabis)
3. TSX:JWEL (Jamieson Wellness Inc.)
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