Top 3 Stocks to Bag in Your TFSA This Spring

Description

The S&P/TSX Composite Index rose 77 points on March 21. Back in February, I'd predicted a mad march for stocks. Fortunately, it has only induced madness in the bears.

The TSX index is now up 13.4% in 2019. Many stocks are pricey right now, but that does not mean investors should sit on their hands in the spring. Those with a long investment horizon should consider bagging the stocks we will cover today. The three chosen today are packed together because of the mix of growth and income they offer for TFSA investors. Let's jump in.

Badger Daylighting (TSX:BAD)

Badger Daylighting is a Calgary-based company that provides non-destructive hydrovac excavation services through its Badger Hydrovac System. Shares have surged 24.6% in 2019 as of close on March 21. The stock is up 68% year over year.

Earlier this month, I'd targeted Badger as a stock to stash if investors wanted to beat the TSX over the next decade. Badger's growth trajectory has been stellar. In 2018, it reported that total revenue climbed to $615 million compared to $496 million in the prior year. Adjusted EBITDA grew to $161 million over $125 million in 2017.

Badger is forecasting another year of solid growth in fiscal 2019, and projects a hydrovac build between 190 and 220 units. The stock is pricey and only offers a 1.3% dividend yield, but it is a dynamic buy-and-hold stock for growth investors.

CAE (TSX:CAE)(NYSE:CAE)

CAE is a Montreal-based company that is focused on delivering training for the defence, civil aviation, security, and healthcare markets. Shares have climbed 17.7% in 2019 as of close on March 21. The stock is up 25% year over year.

In the third quarter of fiscal 2019, CAE reported revenues of $816.3 million, which was down from $828.2 million in the prior year. The company posted order intake of $882.1 million to reach a record $9 billion backlog. CAE is an attractive option for those who want exposure to the burgeoning defence sector. Canada is boosting its funding by 70% into the middle of the next decade, and the U.S. may increase its budget in fiscal 2020 to an astonishing $750 billion over $716 billion in fiscal 2019.

Shares of CAE have climbed 94% over the past three years. CAE is in technically overbought territory today, but the stock is an attractive long-term hold. It also offers a modest 1.3% dividend yield.

Enbridge (TSX:ENB)(NYSE:ENB)

Enbridge is the largest energy infrastructure company in North America. The stock has climbed 15.9% in 2019 as of close on March 21. Shares are up 22% from the prior year.

Enbridge posted a strong 2018 with adjusted earnings rising to $4.5 billion compared to $2.9 billion in the prior year. The stock is particularly attractive because of its meaty dividend. Enbridge stock last paid out a quarterly dividend of $0.738 per share. This represents an attractive 6% yield. The company expects to temper its dividend hikes to a 5-7% DCF per share CAGR post-2020, which is still good news for income investors. Enbridge has achieved dividend growth for 23 consecutive years.

Investors on the hunt for income in their TFSA to supplement their more aggressive holdings should consider this elite option.

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
4. TSX:CAE (CAE Inc.)
5. TSX:ENB (Enbridge Inc.)

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