TFSA Investors: Pursue a Growth Strategy With These Stocks

Description

One of the three TFSA mistakes I warned investors to avoid this week was taking an overly cautious approach in their portfolio. The TFSA has been a remarkable source of tax-free gains for investors who have used it to its full potential over the past decade. That does not mean that investors should not pursue a balanced or income strategy, as either is still far superior to holding cash and GICs.

Investors are facing a pricey market right now, but it is still worth it to monitor growth stocks in the early spring. Today, we are going to look at three that would be perfect for a growth-oriented TFSA.

Cronos Group (TSX:CRON)(NASDAQ:CRON)

Cronos Group is a Toronto-based diversified and vertically integrated cannabis company. Shares of Cronos have climbed 63% in 2019 as of early afternoon trading on April 10. The cannabis sector has been a fantastic source of growth over the past four years, and many TFSA millionaires have been made from this explosive sector.

Still, investors should temper their expectations after recreational legalization. Cronos surged into overbought territory in early February but has since posted an over 20% retracement. The stock sits an RSI of 40 as of this writing. In a hot market this is a solid entry point.

Shopify (TSX:SHOP)(NYSE:SHOP)

Shopify it an Ottawa-based company that offers a cloud-based commerce platform to businesses. It has been the best tech stock on the TSX since its IPO back in 2015. Shares are up 44% in 2019 so far and have climbed 80% year over year.

Shopify breached the $1 billion revenue threshold in fiscal 2018 and expects further growth in 2019. There is still some skepticism surrounding the stock and its merchant data, but it has proven short-sellers wrong so far. Shopify is a pricey option right now as it sits near its all-time high. Shares have slipped outside overbought territory, but it is not a bad idea to wait for a more favourable entry point in this market.

Canada Goose (TSX:GOOS)(NYSE:GOOS)

Canada Goose is a Toronto-based designer, manufacturer, and distributor of premium outerwear. Historically, Canada Goose has been focused on winter clothing, but it has recently started to dip into spring wear. The stock has increased 9.5% in 2019 so far.

Canada Goose has posted impressive growth since its IPO, but shares were hit hard in December 2018. Geopolitical tensions between Canada and China spooked analysts. Canada Goose's growth trajectory is heavily dependent upon its foray into China. Fortunately, the grand opening of its Beijing store drew large crowds. This should alleviate some concerns in the near term.

Canada Goose released its fiscal 2019 third-quarter results in February, and the holiday shopping season was predictably lucrative for the company. Total revenue rose 50.2% year over year to $399.3 million and adjusted EBITDA increased 59.6% to $151.1 million. The stock is trading at the middle of its 52-week range and last had an RSI of 49, which puts it in neutral territory. Canada Goose is a solid pick up as it charts its global expansion.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CRON (Cronos Group)
2. NYSE:GOOS (Canada Goose)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:CRON (Cronos Group)
5. TSX:GOOS (Canada Goose)
6. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date
2025/08/24
Date Created
2019/04/10
Author
aocallaghan