



3 “Double-Threats” to Add to Your TFSA

Description

This week we looked at three stocks that were perfect for a [growth-oriented TFSA](#). Investors with a long-time horizon can often afford to be more aggressive in pursuing capital growth. However, some prefer a more [balanced approach](#).

Instead of weighing growth and income equities, today we are going to look at three stocks that provide a nice mix of both. These “double-threats” can power huge growth in your TFSA and provide income in lean times.

CAE ([TSX:CAE](#))([NYSE:CAE](#))

CAE is a Quebec-based company that delivers training for the civil aviation, defence, security, and healthcare markets. Shares hit an all-time high of \$30.44 on April 10. The stock was up 21.2% in 2019 as of this writing, and shares had surged over 105% over the past three years.

CAE reported a record \$9 billion backlog in its third-quarter report for fiscal 2019. The company has been powered by its Defence and Security segment, which saw revenue rise 27% year-over-year to \$330.2 million in Q3. The total Defence and Security backlog has increased 22% from the prior year to \$4.39 billion.

CAE currently offers a quarterly dividend of \$0.10 per share, which represents a modest 1.2% yield. Defence spending is set to increase in the United States and across the developed world into the next decade. CAE will be a big beneficiary as its Defence and Security segment continues to thrive.

Magna International ([TSX:MG](#))([NYSE:MGA](#))

Magna is the largest automotive parts manufacturer in Canada. Shares were up 15.4% in 2019 as of close on April 10. The stock was down 4.9% from the prior year as the automotive sector has suffered from negative sentiment with trade tensions and slowing global growth generating anxiety among analysts and economists.

In 2018, Magna reported record sales of \$40.8 billion, which were up 12% from 2017. It posted a 13% increase in diluted earnings per share to a record \$6.61 and posted record cash from operations of \$3.7 billion. The company does expect growth to flatten in this fiscal year. In its fourth-quarter report Magna announced an 11% increase to its quarterly dividend to \$0.365 per share, which represents a solid 2.5% yield.

TMX Group ([TSX:X](#))

TMX Group is an integrated, multi-asset class exchange group which operates cash and derivatives markets. The stock was up 17.8% in 2019 as of close on April 10. Shares were up 8.5% from the prior year.

In 2018, TMX Group reported a 22% year-over-year increase in revenue to \$817.1 million. Income from operations increased 23% to \$369 million and it reported adjusted earnings per share of \$5.20. This represented an 11% increase from the prior year. TMX posted growth in all its operating segments and entered this year poised to post solid growth into the next decade.

TMX Group stock had climbed 84% over the past 3 years as of close on April 10. The company recently increased its quarterly dividend by \$0.04 per share to \$0.62 per share, which represents a 2.7% yield.

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4. TSX:MG (Magna International Inc.)
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Date

2025/06/30

Date Created

2019/04/14

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