



## The Easy Way to Turn Your \$6,000 TFSA Contribution Into \$70,000

### Description

If you've been investing for a while, I likely don't have to introduce you to the beauty of the Tax-Free Savings Account (TFSA). But in case you're new to investing, I'll fill you in. The TFSA offers investors with \$63,500 worth of contribution room as of 2019 to invest as they will, without worrying about being taxed by the government.

Now, if you've been using the TFSA for a while, you might have used up all your room except, potentially, this year's additional \$6,000. That \$6,000 might not seem like much, but, invested over a long period of time, any investor can turn that into a golden nest egg.

The trick is to find the right stocks at the right time. The right stocks are industry leaders that have a history of growth in revenue and earnings, and the strong potential for future growth.

### Nutrien

**Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is quickly becoming a recommendation by many analysts and top investors for these reasons. Since its creation in 2018 after the merger of two companies, Nutrien has produced and marketed crop nutrients to agricultural, industrial, and feed customers worldwide, operating within retail, potash, nitrogen, and phosphate and sulfate.

Nutrien is now the world's largest crop nutrient company and has since been making acquisitions left, right, and centre to grow its expanding empire and pretty much take over the market. That's great news for investors looking towards the future.

The company already has a hand in providing potash and other crop nutrients to countries around the world, including the most populated countries of India and China. As the world's population increases, arable land will become less and less. This means companies such as Nutrien will be in a prime position to take advantage of farmers who will need to [improve crop yield](#).

As for right now, you don't have to be a farmer to know that crop yields go through phases, and thus so does this stock. As the fertilizer market goes up and down, investors should look to catch this stock

before the next recovery comes through if they want to boost their long-term gains. The stock looks like a roller coaster since its initial public offering (IPO), but right now is a great time to buy the stock, as it looks just about to be on the upswing of a recovery.

If we were to look outside the cyclical phase of the stock, it's clear to see that Nutrien is a strong company that's only getting stronger. In its most recent quarter, EBITDA rose 22%, even during a wet season, with the company allocating \$1 billion towards growing the retail side of the business. On top of that, it also bought back \$800 million of stock and offers a 3.39% [dividend yield](#).

The risk on this stock, I've already alluded to, and that comes down to the cyclical nature of crop nutrients. This will also prove to be cyclical in nature for the company's cash flow. Furthermore, while the company could move prices where it wants after taking over much of the market share, governments influence about half of the nitrogen and phosphate markets around the world, and other companies have already begun to bring potash prices down.

## Foolish takeaway

That being said, if you're a long-term investor in Nutrien, you shouldn't be worried. As Nutrien continues to take over the market, the stock really has nowhere to go but up. Analysts already project the stock to increase to \$88 in the next 12 months — a potential upside of 35%! After that, it should slow down, but if we look at a conservative growth rate of 10% per year, that would mean it would take 20 years to reach \$70,287.85 by using your \$6,000 contribution room, with dividends reinvested.

### CATEGORY

1. Investing

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2. TSX:NTR (Nutrien)

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