



Pick Top Stocks for Your TFSA: Earn Monthly Dividend Income

Description

If you genuinely want to make good investments in the Canadian stock market for your Tax-Free Savings Account (TFSA) in 2020, you should take a look at the aerospace sector. This sector makes a lot of money from lucrative government contracts in Canada. In fact, aerospace stocks on the **Toronto Stock Exchange** have soared in the past year.

The stellar performance of North American aerospace stocks has much to do with supply chain security concerns in Asia, particularly surrounding Chinese espionage activities. The reorganization of international supply chains due to national security concerns opens the door for the domestic industry to profit.

Aerospace is also an excellent way to invest in emerging technologies. Advances in cybersecurity, the Internet of Things (IoT) systems, and artificial intelligence (AI) are quickly improving operational efficiency in this sector. Enhanced manufacturing and design technologies are transforming these firms' supply chains and cost structure.

Aerospace stock prices outperformed the market

Every Canadian should own stock in this dividend payer. **Exchange Income** ([TSX:EIF](#)) serves the admired aerospace and defence industry with services and equipment. Government contracts in the aerospace industry are where **Kinaxis** brought in most of its market capitalization. In the past year, both of these stocks soared in price by around 60%.

Exchange Income may be a better buy than Kinaxis. Exchange Income is [the more affordable stock](#) with a price-to-earnings (P/E) ratio of 19.10; by contrast, Kinaxis has a P/E ratio of a whopping 150.86. A P/E ratio of over 20 typically indicates an overpriced stock relative to earnings, depending on the industry.

It's hard to beat this stock market dividend

For the past eight years, the company has paid a reliable *monthly* dividend. Exchange Income currently pays a dividend of \$0.19 per share every month at a yield of 5.10% at the current share price.

Aerospace stocks with enviable government contracts that pay monthly dividends are undoubtedly the best stocks to buy for your TFSA.

Exchange Income is also a solid 5G telecommunications purchase. The company is involved in designing and building communication infrastructure, a significant expense right now for prominent cell service providers like **BCE**, **Rogers Communications**, and **Telus**. The [5G telecommunications rollout](#) is another popular stock market play for 2020.

Suppliers to the tier-one telecom providers will be the primary beneficiaries of the billion-dollar investments in the rollout of the new technology. Given the national security imperative attached to this equipment, domestic engineering and service providers have a solid market opportunity to create real profit from this technological revolution. Thus, Exchange Income is set up for continued success on the TSX throughout the year 2020.

It is easy to find smart stock market plays to retire well

If you are concerned about how you can retire in the next 10, 20, or 30 years, I'm here to tell you that it isn't tricky to self-manage your retirement portfolio. Thanks to the internet, stock market investing has become more accessible.

A crucial barrier for middle-class Canadians to invest in the 20th century was a severe lack of information access. In the 90s, finance websites like the Motley Fool began filling the internet with quality stock market tips. Then, high-speed, broadband internet access in the early 2000s made the internet affordable and accessible to a wider audience.

Today, stock market brokers like Robinhood and **Charles Schwab** are cutting the costs to ZERO for middle-income individuals to research and trade stock market assets. If you haven't started buying dividend stocks with strong price performance for your TFSA yet, you should start today.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

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1. Editor's Choice

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1. TSX:EIF (Exchange Income Corporation)

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