



## TFSA Investors: Use Your New 2020 Contribution Room to Buy This Top Recession-Proof Stock

### Description

As we approach the start of a new year, a number of us eager investors have already thought about what we want to do with our new contribution room in the TFSA.

Like 2019, the additional room in the TFSA in 2020 will be \$6,000, bringing the grand total of TFSA contribution room for those investors old enough to \$69,500.

\$69,500 is a significant amount of starting capital to build a nest egg of investments that you can hold forever tax-free.

Plus, \$6,000 today is substantial; if you invest it in the right long-term company, should easily return you multiples of your initial investment over the length of your holding.

One of the [top stocks](#) I would be looking at using my additional contribution room on in 2020 is **Nutrien Ltd** ([TSX:NTR](#))([NYSE:NTR](#)).

Nutrien is a high-quality, blue-chip stock that investors can easily buy for their TFSA and forget about.

It was created as a result of the merger of the two largest players in the fertilizer industry, Agrium and Potash Corp, which has created a dominant industry leader.

The fertilizer industry and the demand for fertilizer in general is driven by the need from farmers and other growers of crops, who provide food for people across the continent.

What this means is that the industry is quite defensive, and as the population continues to grow well into the future, so too will the demand for healthy food and crops, which in turn will continue to increase demand for fertilizer products.

Nutrien, which has a major portion of the market, is not just one of the largest fertilizer companies in the world, but it's also a high-quality operator capable of generating attractive margins.

In 2018, it reported a return on equity north of 20% and so far in 2019 and for the last 12 months, that number has been just under 19%.

One of the reasons why it's been so profitable and had such attractive margins is because of its integration and the fact that Nutrien operates the leading global agricultural retail network.

Its retail network is obviously one of the biggest contributors to its strong margins, but it's also crucial to Nutrien's success because of the platform the company offers, which helps to keep the growers loyal and coming back.

In addition to all of the solid reasons to buy Nutrien today, you also have to think of the huge possibility it has for future growth, which makes Nutrien a no-brainer for investors seeking high-quality, long-term growth in their investments.

It continues to realise efficiencies as its demand increases and it's able to scale its operations. As well, there are a number of organic growth opportunities for it to pursue, especially as the demand for agricultural products continues to increase well into the future.

All in all, Nutrien is one of the best companies today, and it's one of the best companies when looking at future potential.

Its high-quality operations put it in a position to return a tonne of cash to shareholders now while you gain exposure to a well-run defensive company and wait for the inevitable growth in both its business and consequently its share price.

The dividend yields roughly 3.75% and can expect to be increased often. Nutrien would certainly be a Dividend Aristocrat if it hadn't rebranded and started a new company after the merger.

## **CATEGORY**

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. NYSE:NTR (Nutrien)
2. TSX:NTR (Nutrien)

## **PARTNER-FEEDS**

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