



## TFSA Investors: 2 Stocks Set to Take off in 2020

### Description

With the start of a New Year *and* a new decade, Tax-Free Savings Account (TFSA) investors are once again on the lookout for stocks that can offer them significant gains.

The past decade saw plenty of stocks climb up to meteoric heights and plenty of stocks that declined, and there was much speculation about an imminent recession.

If you are a TFSA investor who wants to start the new decade with a fresh look at some stocks you might not have considered for your portfolio, there are two investment options that you can consider.

Today we'll look at **Exchange Income Corporation** ([TSX:EIF](#)) and **Computer Modelling Group Ltd** ([TSX:CMG](#))([NYSE:CMG](#)) stocks so you can decide whether you would like to add the shares to your TFSA portfolio this year.

### Exchange Income

With reliable results in Q3 fiscal 2019, Exchange Income is already looking like an excellent opportunity to consider moving into the new decade. 2019 was a phenomenal year for the company, climbing more than 55% to trade for \$44.69 in 12 months as of this writing.

The \$1.55 billion market capitalization company operates in two major segments of the aerospace industry, generating a remarkable \$355.2 million in Q3 2019, 15% higher from the same period year over year.

The company's aerospace and aviation segment saw substantial growth by \$266.5 million. Exchange Income's Manufacturing segment contributed \$7.1 million. The EBITDA of both segments saw an increase of 12% to reach \$89 million.

EIF has plenty to do to reach higher profitability, and already has several projects in the pipeline. The company closed deals of two new acquisitions – both hold immense potential for growth. Exchange Income is well poised for a [robust 2020](#) and the coming years.

## Computer Modelling

Computer Modelling is a relatively unknown stock. As the name suggests, CMG is a software firm. The company develops and licenses reservoir simulation software for clients across several industries.

The \$659.65 million market capitalization company is not the most significant tech firm trading on the **TSX**, which is precisely the reason you might want to consider investing in its shares right now.

CMG's reservoir simulation software is primarily sold to consulting firms, research institutions, and to oil and gas companies. Companies operating in the oil and gas sector throughout the world rely on the suite of reservoir simulation software to analyze different types of reservoirs – a process vital for continued success.

CMG climbed 35.6% in the past 12 months, trading for a [very cheap valuation](#) of \$8.22 per share at writing. The company's return on capital employed (ROCE) is particularly impressive.

With the ROCE of 40%, it is substantially higher than the average of 7.6 in the energy services sector. The high ROCE shows that the company is efficient in generating profits.

## Foolish takeaway

EIF offers a dividend yield of 5.1%, while CMG has a dividend yield of 4.87%. The growth potential of both stocks in 2020 is excellent due to strong fundamentals. Both of these stocks are great options for adding to your investment portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:CMG (Chipotle Mexican Grill, Inc.)
2. TSX:CMG (Computer Modelling Group Ltd.)
3. TSX:EIF (Exchange Income Corporation)

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