



TFSA Investors: 3 Top Growth Stocks to Buy in 2020

Description

Would you like to earn high returns free of taxes? That's possible if you buy growth stocks in your TFSA. Growth stocks, as their name implies, are stocks that have the potential for substantial capital appreciation.

So, if you want the value of your TFSA to increase fast, you should look for growth stocks. **Aritzia** ([TSX:ATZ](#)), **ARC Resources** ([TSX:ARX](#)), and **Lundin Mining** ([TSX:LUN](#)) are three stocks that are expected to have strong growth in 2020.

Aritzia

Aritzia is a women's fashion company that designs, develops, and sells fashion products. The company currently operates 75 stores in North America. Aritzia has opened 19 stores since its IPO three years ago and is targeting to open five new stores in fiscal 2020.

Aritzia is constantly beating estimates and shows impressive growth in same-store sales, delivering 21 consecutive quarters of same-store sales growth. In the last quarter, same-store sales rose 5.1%.

With continuous growth in [e-commerce](#) penetration and growing brand awareness in the United States, we can expect the fashion company to continue generating solid same-store sales growth in 2020.

Aritzia's revenue and earnings are expected to grow at solid growth rates of 14% and 24%, respectively, next year. If the company continues to increase online sales and stay ahead of fashion trends, Aritzia will meet its growth targets. So, the stock should keep outperforming in 2020.

ARC Resources

ARC Resources is my top pick in the oil and gas sector. The company's assets are concentrated in the Montney play in Alberta and northeastern British Columbia and the Pembina Cardium region in Alberta.

ARC's board of directors has approved a \$500 million capital program for 2020 that focuses on capital discipline, balance sheet strength, delivering profitable projects to shareholders and generating funds

from operations to fully fund its dividend and capital needs.

Average production is expected to be between 155,000 and 161,000 barrels of oil equivalent per day in 2020, representing an increase of approximately 14% from 2019.

ARC is a high-quality company that has a solid balance sheet and the potential for a significant rebound. Indeed, revenue is expected to grow by 15.5% and earnings by a huge 733% in 2020. If those high expectations materialize, we should see a big jump in the stock price. And while you wait, you can count on a robust dividend, which currently yields 7.7%.

Lundin Mining

Lundin has been one of the best-performing base metal stocks in 2019, with a return of 40%. The metal company had a busy year, with the long-awaited acquisition of Chapada from **Yamana Gold**.

Lundin should keep outperforming in 2020 due to significant growth in copper and zinc production, a solid balance sheet, and the possibility of short-term optimization initiatives in Chapada. These attributes combined with the company's [low-risk profile](#) of high-performing assets should be tailwinds for the stock in 2020.

On the back of its strong record, Lundin announced in November an anticipated dividend increase of 33% to its quarterly dividend to \$0.04 per share, to be declared with the release of 2019 full-year financial results in February 2020.

Strong growth in revenue and earnings are expected for 2020, as revenue is estimated to increase by 28% to \$2.44 billion and EPS by 119% to \$0.46 per share.

CATEGORY

1. Dividend Stocks
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3. Investing
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TICKERS GLOBAL

1. TSX:ARX (ARC Resources Ltd.)
2. TSX:ATZ (Aritzia Inc.)
3. TSX:LUN (Lundin Mining Corporation)

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