3 Stocks to Buy With Your $6,000 in 2020 TFSA Contribution Room

Description

In 2020, Canadians got an extra $6,000 in TFSA contribution room, bringing the total for those 18 or older in 2009 to $69,500. For TFSA holders who had their accounts maxed out in 2019, it's an extra $6,000 to top up their balances. For those who still have room kicking around from past years, it makes the available space even larger.

Either way, $6,000 in extra TFSA contribution room is an opportunity to boost your portfolio with some quality stocks and enjoy the proceeds tax-free. With that in mind, here are three stocks to consider buying with your $6,000 worth of new TFSA contribution room.

Alimentation Couche-Tard

Alimentation Couche-Tard Inc (TSX:ATD.B) is Canada's largest convenience store company. It's also rapidly expanding into the U.S. and Europe.

The company's Circle K chain has a 6.7% market share in convenience store fuel sales in the States, which makes it the market leader in that vertical. Its share of *total* gas station fuel sales (2.1%) is also fairly high.

Over the past decade, Alimentation Couche-Tard has seen incredible growth. The company routinely grows its earnings at 20% or more year over year, and the stock has largely followed suit, rising 1,146% over the past decade.

With a sub-20 P/E ratio and earnings growth still in the 20%-30% range, there's no reason this stock can't keep climbing. It also pays a dividend that yields 0.58% at current prices.

Enbridge

Enbridge Inc (TSX:ENB)(NYSE:ENB) is Canada's biggest and best energy pipeline company. It ships crude oil and LNG all over North America, with its main markets being located in the American mid-

West.

Similar to Alimentation Couche-Tard, Enbridge has seen strong growth over the past few years, having increased its net income from $250 million to $2.8 billion.

Unlike Alimentation, however, Enbridge's stock hasn't followed suit, and is actually down over the last five years. For investors seeking capital gains, this has been unfortunate, but for dividend investors, it has only provided a high and ever-rising yield. ENB currently has a 6.21% yield–one of the highest among TSX large caps–and has been rising year after year.

Canadian National Railway

Canadian National Railway (TSX:CNR)(NYSE:CNI) is Canada's largest railway company, with a massive North American transportation network that reaches three coasts. The company transports over $250 billion worth of goods every year, making it a cornerstone of the North American economy.

Over the past decade, CN Rail has seen strong growth, driven mainly by its crude-by-rail business. This year, the company has faced a number of headwinds related to Alberta oil curtailment, delayed grain harvests, and diminishing BC timber supply.

As a result of these issues, CN saw its shipping volume and RTMs decline for several months. On CN's "weekly metrics" page, we saw RTM and car-load declines well in excess of 10% during the strike the company faced last year.

More recently, however, the year-over-year declines have shrunk, and the company appears back on track.

Over the years, CN Rail has proven itself to be a dependable transportation company that can bounce back from major setbacks. Expect that trend to continue this year.

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