



TFSA Users: 3 Ways to Earn a Solid 45% Return (That the CRA Can't Touch)

Description

Hi there, Fools! I'm back to quickly highlight three stocks trading at new 52-week highs. Why? Because after a given stock rallies over a short period of time, one of two things usually happens:

- the stock [keeps on climbing](#) as momentum traders pile on; or
- the stock quickly pulls back as [value-oriented investors](#) lock in profits.

The three stocks below have returned an average of 45% over the past year. So, if you're a TFSA investor looking to carry that momentum into 2020 (while keeping the CRA at bay), this list is a good place to begin.

Golden choice

Leading off our list is gold royalty giant **Franco-Nevada** ([TSX:FNV](#))([NYSE:FNV](#)), whose shares are up 48% over the past year and currently sit near 52-week highs of \$151 per share.

In addition to the strength of gold prices, Franco-Nevada's appreciation has been supported by steady production growth, solid cash flows, and prudent capital management. In the most recent quarter, EPS of \$0.54 easily topped estimates, as revenue jumped 38% to a record \$235.7 million.

Gold equivalent ounces sold also came in at a record 133,219.

"For 2019, Franco-Nevada expects to be close to the high end of its previously announced guidance ranges," said CEO David Harquail. "Franco-Nevada continues to be the gold investment that works."

Franco-Nevada currently offers a dividend yield of nearly 1%.

Power play

Next up, we have renewable energy provider **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which is up 40% over the past year and currently trades near 52-week highs of \$15.50 per share.

Algonquin's price gains continue to be underpinned by reliable dividend growth, solid scale (70 power facilities across North America), and high-quality assets. In the most recent quarter, EPS of \$0.14 topped estimates on revenue of \$365.6 million.

More importantly, management boosted the quarterly dividend by a healthy 10%.

"We are pleased to report solid third-quarter results and continued growth across both sides of the business," said CEO Ian Robertson.

Algonquin shares currently offer a juicy dividend yield of 3.7%.

Renewed interest

Rounding out our list is renewable energy company **TransAlta Renewables** ([TSX:RNW](#)), whose shares are up more than 40% over the past year and currently trade near 52-week highs of \$16.73 per share.

TransAlta's big gains continue to be supported by reliable dividend growth, a diversified revenue stream, and a solid network of 34 renewable power-generation facilities. In the most recent quarter, adjusted operating cash flow increased 3% to \$69 million.

More importantly, cash available for distribution improved \$2 million.

"We remain very focused on successfully commissioning our two U.S. wind projects prior to the end of the year," said President John Kousinioris. "In addition, we are continuing work to add further accretive projects to our portfolio, including potential additional drop-down opportunities from **TransAlta Corporation**."

TransAlta currently boasts a juicy dividend yield of 5.7%.

The bottom line

There you have it, Fools: three red-hot momentum stocks worth checking out.

As always, they aren't formal recommendations. Instead, look at them as a starting point for further research. Momentum stocks are especially fickle, so plenty of your own due diligence is required.

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:FNV (Franco-Nevada)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:FNV (Franco-Nevada)
5. TSX:RNW (TransAlta Renewables)

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