TFSA Investors: Get Inspired by These 2 Awesome Stocks

Description

Two Canadian stocks have something interesting to offer TFSA investors. The companies have excellent growth potential, just like the other top names you often hear on the TSX. Likewise, the dividends are sustainable and adequate to deliver long-term money growth.

Canadian Tire (TSX:CTC.A) and **Transcontinental** (TSX:TCL.A) should be on your 2020 watchlist if you're looking for new, profitable additions to your investment portfolio. Here are the confidence-inspiring attributes of a Canadian staple and a synergy champion for the TFSA investors.

Iconic brand

The hallmark of Canadian Tire has always been its branding strategy. If not for this successful trait, the company would not grow to be one of the country's biggest retail chains in recent memory. This $9.11 billion specialty retail company is a Canadian staple and icon.

The 1,698 stores of Canadian Tire across Canada are what makes this stock a valuable addition to your TFSA. No brick-and-mortar store is as resilient as Canadian Tire to meet the challenge of the e-commerce boom.

Key acquisitions, past and present, have helped this billion-dollar retailer to continue to attract customers into its stores. As an example, you don't buy tires or appliances from online giants. These types of purchases and others, like power and hand tools, are generally done at Canadian Tire's physical stores.

The annual growth rate estimate for Canadian Tire in the next five years is more than 17%. Thus, analysts are already projecting the stock to gain between 19.8% and 31.06% in the next 12 months. Factor in the 3.17% dividend yield, and you'll realize significant profits.

Full synergy

Last year was the appointed time for Transcontinental to finally complete the integration of its core printing business with the packaging segment. François Olivier, the president and CEO of Transcontinental, announced the finale of the company's evolution.

With a synergy in place, expect this $1.45 billion provider of both printing and packaging services to create long-term value. Also, through flexible packaging, Transcontinental is likely to be at the forefront of an emerging circular economy for plastics. The goal is to reduce food waste and improve its carbon footprint.

For fiscal 2019, Transcontinental reported $3.04 billion in revenue, which is the highest ever recorded in its history. The 15.8% revenue increase compared to 2018 is just a portent of things to come. Analysts are estimating the stock to gain by as much as 62.36% in one year. Add the 5.28% dividend, and see how your TFSA balance soars.

The best is still to come

Growing money in your TFSA is not a simple process. You should pay close attention to the many risks of individual stocks before placing them in your tax-free investment vehicle. Don't shop for popular stocks but companies that offer long runways for growth and that will give you long-term financial rewards as well.

TFSA investors should consider Canadian Tire and Transcontinental today. Both stocks are offering strong upside potential and sustainable dividends.

Frankly, I believe the best is still to come from these two inspiring, homegrown companies.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)
2. TSX:TCL.A (Transcontinental Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/08/27
Date Created
2020/02/13
Author
cliew