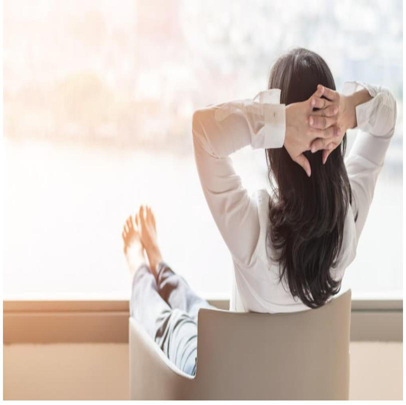

TFSA Investors: 3 Stocks to Invest $6,000 in Right Now!

Description

In June, **TSX** stocks are continuing their recovery following the COVID-19 market crash. The **TSX Composite Index** rose 0.29% on Monday following gains in April and May. Now that COVID-19 momentum is moving in the direction of re-opening, investors are beginning to price in the recovery — and stocks are following suit.

In this environment, there are not as many good buys as there were just a month ago. Stocks are getting much more expensive, despite generally poor earnings results. However, there are still some great stocks to be found. Particularly if you're willing to look among smaller companies or overlooked sectors, you can find great value.

With that in mind, the following are three great stocks to consider buying if you have $6,000 to invest in June.

Cargojet

Cargojet Inc (TSX:CJT) is a small cargo airline that smashed earnings in Q1. In the first quarter, its revenue was up 12%, gross margin up 52%, and adjusted earnings up 24.5%.

Cargojet's success in the COVID-19 era can be explained by its business model. The company specializes in small overnight shipments, including e-commerce orders. During COVID-19 lockdowns, e-commerce shipments have soared thanks to the closure of retail businesses. Cargojet benefitted from the trend.

The above does not suggest that CJT's business will shrink after lockdowns end, however. E-commerce is a long-term growth industry expected to grow at 9% compound average annual growth rate (CAGR) until 2023. Thus, CJT will benefit from the industry's success for the foreseeable future. For this and other reasons, it's a solid TFSA stock to consider.

CN Railway

The **Canadian National Railway** (TSX:CNR)(NYSE:CNI) performed surprisingly well in the first quarter. Its revenue was flat, but its earnings jumped 31% year over year. The company managed to deliver solid earnings growth by lowering expenses and increasing operational efficiency.

In the first quarter, CN was hit hard by rail blockades and the COVID-19 pandemic. Nevertheless, it managed to deliver solid results to shareholders. By lowering costs and raising rates, it was able to crank out solid profits. It's a resilient business that should perform well over the long term and a great TFSA stock.

Fortis

Fortis Inc (TSX:FTS)(NYSE:FTS) is another stock that did relatively well in the first quarter. Earnings were basically flat year over year, which is better than most TSX stocks in the same period. As a utility, Fortis is well positioned to thrive in a coming recession. Heat and light are basic life necessities; consumers are reluctant to cut them out even in the worst of times.

Accordingly, utilities' revenues are unusually stable. Government regulation also provides high barriers to entry in the industry, another factor contributing to utilities' stability.

That's not to say that all utilities are equal, though. Over the years, Fortis has outperformed the **S&P/ TSX Capped Utilities Index** thanks to its emphasis on growth and willingness to take calculated risks. Just recently, the company inked a deal to supply LNG to China–the first of its kind in Canada.

Additionally, it is pursuing an $18.8 billion capital expenditure program aimed at improving infrastructure and adding new customers to the electrical grid.

While such expenditures will add debt to Fortis' balance sheet, it could generate new revenue in a low interest rate environment. All in all, it's a solid TFSA stock for income and growth.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CJT (Cargojet Inc.)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:FTS (Fortis Inc.)

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