



2 TSX Stocks to Help TFSA Investors Retire Rich

Description

If you're hoping to retire rich or early, you're going to need to leverage the power of tax-free compounding made possible by the Tax-Free Savings Account (TFSA).

Over the years, tax-free compounding may not seem to make a very noticeable difference, but if you're a younger [TFSA investor](#) with decades to invest, you'll start noticing the snowballing effect over the next 10, 20, and 30 years en route a retirement that may be a heck of a lot closer (and richer) than you may have thought initially.

Without further ado, let's get right into the two TSX stocks that can help you [retire rich](#).

CN Rail: A strong foundation to any TFSA core

First, up we have **CN Rail** ([TSX:CNR](#))([NYSE:CNI](#)), the wide-moat railroad company that many refer to as "North America's most efficient railway" and for a good reason. The company has been capable of improving upon its operating ratio, even during those tough economic times.

Shares of the boring but bountiful rail stock have steadily outperformed the TSX Index over prolonged periods of time, rewarding TFSA investors with outsized capital gains alongside a dividend that continues to grow at an above-average rate, regardless of the macro headwinds that appear along the way.

If you're looking to beat the markets, you need a dividend-growth king like CN Rail at your TFSA portfolio's core. Yes, you're not going to get rich overnight off the name, but if you keep putting money to work in the dividend grower systematically over time, it'll just be a matter of time before your TFSA surpasses the million-dollar milestone.

As the backbone of the North American economy, a rail like CN Rail is economically sensitive. But given the width of the moat and the assurance of above-average dividend growth through thick and thin, CNR tends to hold its own far better than most other economically sensitive industrials out there. CNR stock sports a 2% yield and is a must-buy, even here in the middle of this coronavirus recession,

because one way or another, CN Rail will find a way to roar out of the gate.

TFI International: Now may be time to back up the truck on shares while they're undervalued

Sticking with economically sensitive but wide-moat businesses, we have trucking firm **TFI International** ([TSX:TFII](#)), which keeps on trucking through the good times and bad. Like CN Rail, the company that offers less-than-load (LTL) transportation and logistics services, the company provides services that are vital to the health of an economy.

In prior pieces, I've referred to the rails as the heart of an economy and the truckers as the circulatory system. Both need to be operating properly for a well-functioning economy. And although we're in the midst of one of the worst downturns in recent memory, TFSA investors should still seek to buy the dips as they come along, because a cyclical name like TFI tends to skyrocket following pronounced downturns when the macro tides have a chance to turn.

Yes, we're likely in a bad recession, but the stock market is forward-looking. In a year or so, stocks point to a V-shaped recovery, and if that's the case, truckers will probably be hitting the roads in record numbers some point soon. Like CN Rail, TFI sports a yield of about 2% that's subject to above-average growth over the long term.

TFI had previously had rough operational issues, but they've since been ironed out. And with shares trading at 0.8 times sales, I'd say now is a great time for TFSA investors to back up the truck on TFI.

Foolish takeaway for TFSA investors

You don't need to risk your shirt on a speculative gamble to retire rich. You just need a long-term time horizon and a strong core for your TFSA that can provide you with a near assurance of above-average total returns over time. Stocks like CN Rail and TFI are enough to get the job done, so if you're looking to invest and not speculate, now is as good a time as any to consider both names, as the economy looks to bounce back from one of the worst shocks of all time.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:TFII (TFI International)

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