



2 TFSA Stocks to Buy Right Now

Description

It's always a good idea to avoid investment taxes. Tax-Free Savings Accounts (TFSAs) make that easy, shielding your capital from both capital gains *and* dividend taxes. But not every investment makes a good TFSA stock. You'll want to choose carefully.

For example, let's say you chose to invest in **Enbridge Inc** due to its 7.8% dividend. With a TFSA, that payout is completely tax free. Yet over the past eight years, the share price has been [stagnant](#). So you used your unlimited tax savings potential on a measly 7.8% annual return.

Now look at a company like **Shopify Inc**, which doesn't pay any dividends at all. But due to rapid sales growth, the stock price has increased *40 times* in value since 2015. A \$5,000 investment would have become \$200,000. With a TFSA, you wouldn't pay a cent on those gains.

The best TFSA stocks are those that give you the most capital [upside](#). That's the most effective way to use your tax-advantaged superpowers.

This is a perfect example

Maxar Technologies ([TSX:MAXR](#))([NYSE:MAXR](#)) is involved in some of the most exciting tech of the century: space equipment. It's responsible for much of what we send into space, including radar, sensors, satellites, and imaging devices.

The space race has just begun. Jeff Bezos and Elon Musk are pouring *billions* into the industry. **Virgin Galactic Holdings Inc**, which is pioneering space tourism, has seen its stock double in recent months. Maxar is in the right place at the right time.

There's one problem: It's still recovering from an accounting scandal from 2018. Before that trouble began, shares were trading above \$100. Now, they're worth only \$25. Betting on a rebound is what makes this the perfect TFSA stock.

Customers are clearly over the company's previous missteps. Last month, it secured a \$23 million

contract with the U.S. Department of Homeland Security and won a four-satellite order from **Intelsat**, which operates the world's largest integrated satellite and terrestrial network.

As Maxar stock recovers, there could be another 300% in long-term upside. TFSA holders should take a close look.

This best TFSA stock?

Hexo Corp. ([TSX:HEXO](#))(NYSE:HEXO) should top the buy list of TFSA investors. With a market cap of just \$400 million, this pot stock should eventually garner a multi-billion dollar valuation.

Why is Hexo so promising? It's all about the long-term strategy.

In 2018, pot stocks were flying off the shelves. Nearly every marijuana company saw its valuation double, triple, or even quadruple. They all rushed to bring massive amounts of supply online.

By 2019, the party ended. That's because investors realized that it took more than production figures to turn a profit. Cannabis businesses needed to figure out how to *brand* their output to create pricing power. Hexo understood this early. That's why it's such an appealing TFSA stock.

Rather than focus on pot production, Hexo dedicated resources to building long-term partnerships. Its deal with **Molson Coors Canada Inc.**, for example, should launch a co-branded THC drink this year.

Ask yourself what is more likely to succeed: a pot beverage from Molson Coors, or a competing product from an unknown cannabis startup? Hexo is betting on the former.

If you want to capitalize on the recreational pot opportunity, Hexo should be your top choice.

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