



3 Great Stocks for Your TFSA

Description

Do you have a TFSA? If not, you're missing out on one of the best savings vehicles available to Canadians. In short, TFSA's provide a way to quickly grow a retirement nest egg with tax-free earnings. Even better is the fact that on an ongoing basis, you can now deposit \$6,000 per year into your TFSA to reap those advantages.

So, where can investors start? Fortunately, the market provides plenty of great investment options to consider. Here are a few great stocks for your TFSA.

Here's a great stock for your TFSA

Open Text ([TSX:OTEX](#))([NASDAQ:OTEX](#)) is a [tech stock](#) with plenty of long-term potential. Open Text offers a suite of software and services that range from enterprise content management systems to AI & analytics services.

In addition to that wide-ranging suite of products, Open Text has an established reputation for acquiring smaller companies and integrating them into its growing portfolio. That aggressive stance to expansion helps solidify the company's position during earnings season.

Speaking of which, in the most recent quarter, Open Text reported record operating cash flows of \$329.6 million in the most recent quarter, reflecting a solid year-over-year improvement of 15.2%.

Another interesting point to mention is that Open Text offers a quarterly dividend. The 1.59% yield may not be the most attractive on the market, but the company runs a great business that continues to offer huge long-term potential.

How about a defensive option?

If there's one thing that the COVID-19 pandemic has taught investors, it's the need to diversify with one more more defensive stocks. Telecoms are often on the top of any list of defensive investments, and **BCE**

([TSX:BCE](#))([NYSE:BCE](#)) is arguably *the* defensive stock every portfolio needs.

In addition to offering wireless, wired, internet, and TV services, BCE boasts an impressive media portfolio of TV and radio stations that blankets the country.

Across all of these segments, the wireless segment has explosive growth potential that investors should take note of. Wireless connections have become a mainstay of our modern society. Further to this, the need to remain connected has only increased as a result of the COVID-19 pandemic. We're consuming more data, spending more time online, and upgrading to newer devices with more features.

That growth isn't slowing, either. In the most recent quarter, BCE added 45,042 net new subscribers across its wireless, internet, and IPTV segments.

In short, BCE has an established moat and a quarterly dividend that offers an impressive 5.97% yield, making it a great stock for your TFSA.

Pipelines can be great, too

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another defensive stock that should be on every TFSA investor's radar. The energy behemoth has operations across several profitable segments, but Enbridge is best known for its massive pipeline network.

Each day, Enbridge hauls over three million barrels of oil, which works out to one-quarter of North America's crude needs. The company's natural gas segment is similarly impressive, distributing one-fifth of all the natural gas consumed in the U.S. market.

What really makes Enbridge a great stock for your TFSA is the defensive moat that its business model provides. Enbridge charges customers for use of its massive pipeline network based on the volume rather than the price of the commodity. In other words, irrespective of how volatile oil prices become, Enbridge continues to generate a solid (and growing) revenue stream.

That revenue stream also provides investors with a [handsome quarterly dividend](#), which currently pays a yield of 7.72%. In other words, buy it now and hold this great stock in your TFSA for decades.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:OTEX (Open Text Corporation)

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