



## Investing \$3,000 in These Under-\$30 Stocks Would Be a Brilliant Move for Your TFSA

### Description

The Canadian stock market has been resilient, despite the fear of an economic slowdown. The rising COVID-19 infections and the weak economic outlook suggest that the market could shed most of its gains. However, that is not happening, as investors' optimism over the reopening of the economy and increase in economic activities continue to lend support and protect the downside.

Amid such an environment, it is wise to invest in stocks that offer steady growth and could generate hefty returns. Moreover, to maximize your gains, it is prudent to invest in these stocks through your Tax-Free Savings Account (TFSA). The capital gains earned in your TFSA are not taxable and would boost your returns in the long run.

So, if you have room to invest \$3,000 through your TFSA, investing in these three under \$30 stocks would be a brilliant move.

### Facedrive

With its shares up over 780% this year, **Facedrive** (TSXV:FD) [has outgrown most of the TSX stocks](#). Facedrive's eco-friendly ride-sharing platform is witnessing increased adoption among customers and drivers. Meanwhile, the number of rides completed is also growing at a robust pace.

Despite its growing user base, Facedrive's customer acquisition cost remains low, which is encouraging. Moreover, expansion opportunities in the U.S. and abroad should further accelerate its growth.

At the current market price of about \$20, Facedrive stock is a must-have in your TFSA portfolio to generate high returns.

### Kinross Gold

Irrespective of which way the markets will move, shares of the gold mining companies are likely to outperform the broader markets in 2020 and beyond. The record-low interest rates and the uncertain economic outlook is likely to drive investors towards gold for safe and high yields. The higher demand could continue to drive the prices of physical gold higher, in turn, **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) stock.

The higher average realized gold prices could continue to support Kinross Gold's revenues and profitability. Besides, its increased production from low-cost mines should boost its margins.

Investors should note that all of its mines continued production despite COVID-19 outbreak. Moreover, management expects production at its [Tasiast mine](#) to improve in the coming quarters. The Tasiast mine is one among its three largest-producing, low-cost mines. With increased production from low-cost mines and higher average price realization, Kinross Gold is likely to generate strong revenues and cash flows and reduce its net debts.

## Algonquin Power & Utilities

Shares of **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) have consistently generated healthy returns over the past several years, thanks to its consistent revenues and earnings growth. It offers a lucrative dividend yield of 4.7%.

Its diversified utility assets generate predictable cash flows that support its payouts. Meanwhile, renewable energy assets ensure that its dividends continue to grow with you.

Investors should note that Algonquin Power & Utilities's renewable energy business is supported through power-purchase agreements with inflation escalators, thus reducing the risk of price and demand. Moreover, its low-risk utility business is likely to gain from a steady rate base growth.

Algonquin's ability to generate steady growth and consistent dividend increase makes it a top investment option for your TFSA.

## Bottom line

These under-\$30 stocks are tailor-made for strong growth and have already proven their ability to survive and thrive amid a challenging environment. An investment of \$3,000 in these stocks through your TFSA seems to be a brilliant move to generate stellar gains that are not taxable.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks
4. Tech Stocks

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)

2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:K (Kinross Gold Corporation)
5. TSXV:STER (Facedrive Inc.)

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