



TFSA Investing: 2 Top TSX Stocks to Watch

Description

Despite recent market conditions, there are plenty of Tax-Free Savings Account (TFSA) investing opportunities available. Some top **TSX** stocks are trading at attractive discounts for long-term investors.

When it comes to finding stocks for TFSA investing, [reliability](#) is a key attribute to look for. Stable, dividend-paying stocks tend to deliver great results within a TFSA over the long run.

While the TFSA has many advantages, it's important to remember the contribution room is fixed. This means that if you realize a loss within a TFSA, that contribution room is simply gone forever.

This notion only further supports the desire to find reliable and steady stocks to hold in a TFSA. Today, we'll look at two such TSX stocks.

Scotiabank

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is one of the major banks in Canada. Beyond its solid footing in Canada, it also has a strong international presence.

BNS has long been a prime example of a dependable [dividend-paying stock](#) perfect for TFSA investing. In fact, it's paid a dividend to investors without fail since 1833.

Plus, over the past 45 years it's increased the dividend in 43 of those years. Clearly, BNS is committed to providing dividend growth to its investors.

Now, there's no doubt that BNS has been hit hard by the pandemic and its economic fallout. However, BNS has shown time and time again that it has the resiliency to push ahead.

Plus, BNS still has plenty of financial padding with access to large amounts of liquidity and support. While there's sure to be some less-than-stellar results ahead, BNS doesn't have a lot of question marks for the long run.

Its strong dividend of 6.33% as of this writing coupled with its potential for huge international growth make this a great TFSA investing pick. Over time, the growth of the dividend combined with the tax savings can make for outstanding total returns.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is another major Canadian bank offering a multitude of financial products and services. Beyond its reach in Canada, it also has a strong presence in the U.S.

Similar to BNS, this TFSA investing star has had its fair share of poor results in recent reports. The pandemic has understandably slowed down business in a lot of key areas.

However, BMO too has a phenomenal track record for both earnings growth and dividend growth. It's paid a dividend to investors every year since 1829.

Now, of course BMO still has challenges moving forward as the economy continues to open up, it also has a strong balance sheet and plenty of support to lean on during rough times.

When it comes to long-term TFSA investing, scooping up shares of BMO that have a yield of 5.49% as of this writing is a potentially lucrative opportunity. Over time, the total return potential is certainly there for patient investors.

TFSA investing strategy

Both BNS and BMO offer investors the kind of reliability needed in a TFSA investing plan. While there could still be some turbulence ahead in the short term, the yields on offer help make these stocks great long-term plays.

If you're looking to add some long-term reliability to a TFSA, be sure to put these stocks on your watch list.

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1. Bank Stocks
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2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BMO (Bank Of Montreal)
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