



## TFSA Investors: Got \$6,000? Then Buy These Cheap TSX 60 Stocks

### Description

The best thing young TFSA investors can do for themselves in this pandemic-plagued market environment is [invest](#). Sure, it's tempting to try to get into the markets at the perfect time, but it's a nearly impossible feat that not even the most seasoned investment veterans can do.

No bell goes off when that perfect entry point finally arrives.

In many instances, the pursuit of the perfect entry point or time to get started investing ironically leaves the TFSA investor farther away from the bottom, as the stock market is [upward sloping over the long term](#). That puts the odds heavily out of favour of the bottom-chasing wallflowers.

So, if you've yet to put your 2020 TFSA contribution of \$6,000 to work, now is as good a time as any to scoop up one of the many bargains that are still abundant on the **TSX Index**. Consider putting \$3,000 into each of the following two stocks now, rather than trying to wait for the perfect entry point that'll probably come and go without you noticing.

### CN Rail: A TFSA investor top pick

**CN Rail** ([TSX:CNR](#))([NYSE:CNI](#)) stock recently broke out to hit a new all-time high of \$140 following what seemed like the perfect storm of headwinds. The wide-moat railway kingpin has been through its fair share of crises, rising out of each one better than when it entered.

Mild disruptions like rail blockades and employee strikes have had a nearly negligible effect over the long run. And even severe crises like the COVID-19 pandemic and the Great Financial Crisis have been weathered far better than most other companies thanks to the firm's incredible management team that's capable of bucking the trend, even through the worst of times.

Despite the disruptions, the company flexed its muscles in the first half, demonstrating its resilience amid the crumbling of the Canadian economy. As one of the major backbones of the North American economy, the railway will play a major part in the inevitable rebound.

Economists at **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) Capital Markets are in the belief that a considerable rebound (an expansion of around 6.5%) is expected for 2021. If such a sudden economic bounce back happens, CN Rail stock could be in a position to continue surging. Shares of CNR aren't cheap today, but they aren't cheap for a very good reason: an economic boom looks to be up ahead, and you can bet that CN's exceptional stewards will be ready.

## Bank of Montreal: A Big Five bank trading at book

Speaking of BMO, the battered Canadian bank, which took a brunt of the damage in the first half, is in a spot to enjoy an outsized correction to the upside, as the Canadian economy heals from the socio-economic disruption caused by the COVID-19 crisis.

Yes, BMO had a less-favourable loan mix, with emphasis on the ailing oil and gas scene and greater exposure to souring commercial loans — neither of which bode well for the bank should we be in for a worsening of this crisis. If we are, in fact, due for a rebound, as economists at BMO believe, BMO stock could have some serious upside going into 2022.

The bank recently clocked in concrete results for its third quarter. Provisions were high, but that was already expected going into earnings. The low bar was set, and BMO pole-vaulted over it, with its capital markets and wealth management businesses leading the way.

After the latest pop, BMO stock no longer trades at a discount to book value. However, you can still nab shares while they're at a modest premium to book value because once we reach a normalized post-COVID world, shares of Big Blue will likely trade at a lofty 30-50% premium to book value once again.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CNR (Canadian National Railway Company)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

## Category

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

## Date

2025/08/02

## Date Created

2020/08/27

## Author

joefrenette

default watermark

default watermark