



TFSA Investors: Where to Invest \$3,000 Today

Description

I have said before that investing via Tax-Free Savings Account (TFSA) is among the best ways to [build wealth](#) in the long term. You keep all your capital gains and dividends that have compounded over the years, thus boosting your overall returns.

So, if you've got \$3,000 for your TFSA, consider buying these two top **TSX** stocks today to outperform the broader markets in the long run.

Enbridge: value and income

While investing via your TFSA, consider energy infrastructure giant **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). With its stock down 18.5% year-to-date, I see [immense value](#) in Enbridge stock. Besides, its robust dividend yield and sustainable payout ratio provide another reason to go long on Enbridge stock.

The lower energy demand amid the pandemic weighed on Enbridge stock. However, the uptick in economic activities following the unlocking measures is likely to drive the recovery in its stock. Also, the long-term outlook for the energy industry remains positive, which further strengthens my bullish view.

Meanwhile, Enbridge's diversified revenues streams and contractual business enables it to deliver robust distributable cash flows, and support is dividend payments. Enbridge has uninterruptedly raised its dividends in the last 25 years. Meanwhile, its dividends have grown at a compound annual growth rate of about 14% in the last decade.

Enbridge stock offers excellent value and is trading at a next 12-month EV/EBITDA ratio of 11.3, which is well below its three-year average trading multiple of 12.9. Its strong core business, diversified cash flow streams, attractive valuation, and a high dividend yield of 8.3% make it an excellent value and income stock for the long term.

Telus: offering stability and growth

Telecom giant **Telus** ([TSX:T](#))([NYSE:TU](#)) is another top long-term bet offering both stability and growth to your portfolio. Telus continues to impress with its financial performance. Meanwhile, its resilient business makes it immune to the weakness in the market.

The company is performing well and added 198,000 wireless customers during the most recent quarter. Meanwhile, its increased investments in 5G network and sustained momentum in broadband networks positions it well to deliver strong growth in the coming quarters.

Telus' recently launched 5G network is available in 24 cities. Meanwhile, the company expects to expand the same to 50 cities by the end of 2020, which augurs well for growth.

Also, Telus reinstated its multi-year dividend growth program and raised its quarterly dividend by 7%. Since 2004, Telus has returned about \$13.6 billion in dividends, which is encouraging. Moreover, its growing subscriber base and robust cash flows suggest that it could continue to boost its annual dividend by 7-10% through 2022.

Telus' continued investment in 5G and system capacity, momentum in broadband networks, focus on high-growth verticals, and strong balance sheet provide a solid base to deliver profitable growth in the coming years and boost shareholders' returns.

Final thoughts

TFSA investors looking to invest in equities amid uncertainty and volatility could consider buying these top TSX stocks offering value, growth, and income. Both of these companies have strong fundamentals and generate robust cash flows that position them well to deliver strong returns in the long run.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TU (TELUS)
3. TSX:ENB (Enbridge Inc.)
4. TSX:T (TELUS)

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