TFSA Investors: What to Do With Your $6,000

Description

The Canada Revenue Agency (CRA) announced last month that Canadians will have another $6,000 in contribution room for their Tax-Free Savings Account (TFSA). This couldn't be at a better time. Another market crash is likely between the next month and three months. When that happens, you'll want to have maxed out on every penny in your TFSA.

So with that in mind, here are some stocks to consider to get you through another market crash and beyond.

Algonquin Power

Besides the market crash in March due to the pandemic, utility companies as a whole have been rising steadily over the last few decades. This goes for **Algonquin Power & Utilities Ltd.** (TSX:AQN)(NYSE:AQN), a company that has been growing through acquisition during that time and bringing in a ton of revenue in the process.

Shares in Algonquin are up 16% during the last year, but an incredible 546% during the last decade, and 139% in the last five years! That's a compound annual growth rate (CAGR) of 27.8% in the last decade. If this were to happen again, that would mean your $6,000 investment would be worth $83,317.02 with dividends reinvested in another decade.

Royal Bank

Canada's largest bank has been relatively stable during this downturn, along with the other banks. **Royal Bank of Canada** (TSX:RY)(NYSE:RY) prepared for an economic downturn, but of course no one could prepare for a pandemic. So now, while revenue is still down, the company has been seeing shares climb with some optimism in the new year.

While another crash could bring Royal Bank down again, investors should pick up this stock on a dip. The company was one of the Big Six Banks to rise to pre-crash levels within a year during the last economic crisis. Right now, shares are up 3% from a year ago, 196% in the last decade, and 69% in the last five years. That's a compound annual growth rate (CAGR) of 13.8% as of writing. So your $6,000 investment could be worth $30,206.96 with dividends reinvested in another decade.

Telus

Telecommunication companies have been doing well during the pandemic thanks to the work-from-home economy. Now more than ever people need strong, fast internet, and that's where **TELUS Corp.** (TSX:T)(NYSE:TU) is the leader. The company already completed is wireline investment, so it can now rake in the revenue as people move services during the pandemic.

Shares in Telus are now up 5% as of writing during the last year. Yet again, during the last decade those shares rose 233% and in the last five years 65% for a CAGR of 13%. Your $6,000 could be worth $30,408.06 with dividends reinvested in another decade.

Bottom line

These stocks are perfect because not only would you get a great deal during a downturn, but you can hold onto these stocks for decades to see massive returns. And frankly, you should. These companies are stable, offering dividends supported by decades of growth.

Each also has a promising future in its industry, making them the perfect buy and hold stock with your new TFSA contribution room. With another market crash on the way, now is the time to prepare. Start your research into these three stocks and add them to your watch list — then put that $6,000 to work!

CATEGORY

1. Coronavirus
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:RY (Royal Bank of Canada)
6. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Yahoo CA

Category

1. Coronavirus
2. Investing
3. Stocks for Beginners

Date
2025/08/04
Date Created
2020/12/27
Author
alegatewolfe