TFSA: 3 TSX Stocks to Buy With the Added $6,000

Description

Last year, the Government of Canada revealed that the Tax-Free Savings Account (TFSA) limit would be $6,000 in 2021. That moves the cumulative contribution room in a TFSA to $75,500 for those who have been eligible since its inception in January 2009. Some investors may have hoped for a larger increase. However, $75,500 is still a nice chunk of room to work. Today, I want to look at three stocks that you should consider adding with that extra $6,000. Let's dive in.

One dividend stock to add to your TFSA

In our hypothetical, we'll look to spend roughly $2,000 on each of our three stocks. **goeasy** (TSX:GSY) is the first equity I want to look at today. This Mississauga-based company provides loans and other financial services to consumers across the country. During the March market bloodbath, I'd suggested that goeasy was one of the best stocks to buy on the dip. Shares of goeasy have climbed 35% year over year as of close on January 12.

Investors can expect to see goeasy's fourth-quarter and full-year results for 2020 in February. Its loan portfolio posted 14% growth in Q3 2020, and adjusted diluted earnings per share rose 56% to $2. TSFA investors should be excited about goeasy's growth potential going forward. Moreover, it qualifies as a Dividend Aristocrat. It has delivered six consecutive years of dividend growth.

goeasy stock possesses a favourable price-to-earnings (P/E) ratio of 15. This stock is perfect for a TFSA for the long term.

Two more exciting stocks to stash in your portfolio

Finning International (TSX:FTT) is the second stock TFSA investors should consider in the middle of January. This Vancouver-based company is engaged in selling, servicing, and renting heavy equipment, as well as power and energy systems in Canada and around the world. Its shares have climbed 35% over the last three months as of close on January 13. This scorching stock is perfect for a TFSA in 2021.

Commodities have gained momentum on the back of a global economic recovery, even as nations continue to wrestle with the COVID-19 pandemic. Finning has been a beneficiary of this uptick. In Q3 2020, the company saw earnings per share increase 17% from the prior year to $0.54. Profitability improved in Canada from the second quarter, despite a slow recovery.

Finning stock last had a solid P/E ratio of 22 and a price-to-book value of 2.2. It offers a quarterly dividend of $0.205 per share, representing a 2.7% yield. Improving commodity prices should drive TFSA investors into the arms of this balanced equity.

Goodfood (TSX:FOOD) is the last stock I want to look at for TFSA investors today. This online grocery company has erupted during the COVID-19 pandemic. Canadians under heightened restrictions and lockdowns have looked for alternatives in the grocery space. Shares of Goodfood have climbed 328% year over year as of close on January 12. The pandemic may be in the rear-view mirror by the end of 2021, but grocery delivery services will be here to stay.

The company released solid first-quarter results this morning. Revenues rose 62% from the prior year to $91.4 million. Meanwhile, Goodfood achieved a positive EBITDA, as active subscribers increased 33% to 306,000. TFSA investors on the hunt for explosive growth should consider this exciting TSX stock in January.

CATEGORY

1. Investing

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1. TSX:FOOD (Goodfood Market)
2. TSX:FTT (Finning International Inc.)
3. TSX:GSY (goeasy Ltd.)

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Author
aocallaghan