



A Top Stock I'm Tempted to Buy for My TFSA Growth Fund

Description

The stock market may be [expensive](#), but, as I've noted in numerous [prior pieces](#), the stock market may not be as expensive as it seems on the surface when you consider the type of environment we're in. That said, it's unwise to rule out the possibility of negative surprises or market corrections.

You see, as an investor, market crashes and corrections are just something we'll need to deal with. We can't avoid them, and we wouldn't seek to avoid them, as taking action to avoid damage may, in itself, lead to undesirable results over the long term. Timing the market isn't a good idea, and sooner or later, all beginner investors find this out the easy way or the hard way.

With the rise of commission-free trading platforms, the definition of *long term* has really changed depending on who you ask. I use my TFSA (Tax-Free Savings Account) to invest for the really long term, not as a vehicle to jump in and out of stocks over the near term to make a quick buck. When it comes to your TFSA, trading excessively is a bad idea, even if you make money. Did you know that the Canada Revenue Agency (CRA) can ding you with a tax bill for business trading? Even if you make big bucks from trading over the short term with your TFSA, you may unknowingly be surrendering the TFSA's tax-free advantage.

My TFSA growth fund is built for the long term

While the TFSA is dubbed as a "savings account," its best use, I believe, is as a place to stash your best long-term investments. As a whole, the markets may seem pricy and like no deals are around, but that's not the case if you're a stock picker who knows where to look.

In this piece, we'll have a look at one of my favourite stocks to hold in my TFSA: **Alimentation Couche-Tard** (TSX:ATD.B). It's currently my second-largest Canadian holding, and I'll look to continue adding my position on further weakness through the year, regardless of what market strategists think Mr. Market's next move will be.

Even if it turns out I'm buying shares of Alimentation Couche-Tard at a market peak, I'm more than comfortable with buying more should shares plunge even further. Moreover, it's my view that ATD.B

stock is already so beaten down such that it may not be as at risk versus the likes of some of the “sexier” stocks. Such sexy plays out could have the most to lose in a sudden reversal.

Couche-Tard stock under pressure

Couche-Tard took a massive hit to the chin when its management shocked investors with its pursuit of French grocery retailer Carrefour. The deal fell through in a hurry, as the French government was increasingly concerned over the nation’s food security amid the horrific pandemic.

Shares of Couche got hammered over 10% on the initial news of a Couche-Carrefour tie-up. Even after the deal fell through, like so many of Couche’s past pursuits, the stock remains in the gutter. Why? Probably because investors dislike the management’s strategic pivot into the grocery space. They probably don’t appreciate the surprise either, which caused investors and analysts to scratch their heads.

I think Couche stock is extremely misunderstood at this juncture and think Mr. Market is making a pricing blunder with shares of Couche-Tard, which I view as a wonderful earnings growth kingpin for any long-term-focused TFSA growth fund. I remain bullish on management’s hunt for the next big deal, which may very well be in the grocery space.

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