



2021 TFSA Limit: 3 TSX Stocks to Buy With the \$6,000

Description

There's no question the Tax-Free Savings Account (TFSA) is one of the most useful tools Canadians have at their disposal. Saving money is already naturally important, but with the significant amount of contribution room the TFSA offers, Canadians are even more incentivized to save their money. The TFSA is much more than just a savings account, though. The rules allow Canadians who use the TFSA to invest their contributions in several ways, including buying **TSX** stocks.

This is an incredible opportunity and one that should not be taken for granted. You can save money in any account, but you can't invest tax-free in any account. So it's crucial to ensure you maximize your potential returns by investing your TFSA contribution limit in high-quality Canadian stocks.

In 2021, the TFSA limit is again \$6,000. Plus, unused contribution room carries over. So investors who have been eligible since year one could have up to \$75,500 of contribution room available.

Here are three of the best TSX stocks to buy with those savings.

Canadian green energy stock

The first stock I would recommend is a rapidly growing renewable energy stock, **TransAlta Renewables Inc** ([TSX:RNW](#)).

TransAlta owns a variety of renewable generating assets in Canada, the United States, and Australia. The stock is so appealing today because in addition to the incredible growth it's put up in the past, the [green energy](#) sector has a tonne of potential going forward.

In addition to the 2,640 megawatts of generating capacity the stock has today, it also has another 10% in development. Plus, the company is well capitalized, putting it in a prime position to finance new growth projects going forward.

So with all that long-term potential and a dividend that yields more than 4.3% today, Trans Alta is an ideal TSX stock to buy with your 2021 TFSA contribution.

TSX retail stock

Another stock to consider buying for your TFSA is a top retail company, **Canadian Tire Corporation Ltd** ([TSX:CTC.A](#)). Canadian Tire has long had one of Canada's most popular brands, and throughout the last year, it's shown how important it is to Canadian consumers.

Retail companies have been some of the hardest-hit stocks in the pandemic. And while Canadian Tire saw a decline in sales during the first two quarters of 2020, its revenue grew by more than 10% year over year in the third quarter.

Canadians are cooped up at home with few activities to do in the pandemic, forcing many to spend their discretionary income on items around the home or recreational products.

This shift in consumer behaviour has resulted in Canadian Tire seeing impressive results through the pandemic, while many retail peers haven't fared so well.

So if you're looking for a long-term TSX stock you can count on, Canadian Tire has clearly proved it's among the best of the best.

TSX real estate stock

Lastly, if you're looking for a high-quality TSX stock that will pay a significant dividend, consider **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)).

[NorthWest](#) owns hospitals and medical office buildings in several countries around the world. This is important because the business gets roughly 85% of its revenue either directly or indirectly through government funding.

Having revenue come from the government is ideal. It's the main reason why the TSX stock is so safe. However, it's also why NorthWest's geographic diversification is so important.

At current prices, NorthWest offers an attractive 6.2% yield that pays investors monthly. So if you're looking for a safe stock that will provide a solid stream of income, NorthWest is the stock for you.

Bottom line

It can't be overstated how important the TFSA is for Canadians' personal finances. Having the ability to invest in TSX stocks and save on the taxes is a true privilege. So make sure you maximize the opportunity and use your capital to buy only the absolute best investments.

CATEGORY

1. Dividend Stocks

2. Investing

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:RNW (TransAlta Renewables)

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Author

danieldacosta

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