



TFSA Investors: 2 Boring Stocks With Exciting Prospects

Description

It's been an exciting year for stock investors. If you added any tech or e-commerce stocks to your Tax-Free Savings Account (TFSA) last year, you're probably sitting on handsome profits right now.

However, past performance is no indicator of future returns. In fact, boring stocks that have been overlooked by investors over the past year are much more likely to outperform the market in 2021 and beyond. Some of these stocks have exposure to some intriguing technologies and emerging trends, too.

With that in mind, here are the top two "boring stocks" with exciting prospects you should consider for your TFSA in 2021.

Magna International

A contract manufacturer and auto parts suppliers is probably the definition of boring. **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) fits that description perfectly. However, the stock has been on a tear ever since the previous financial crisis.

Between 2009 and 2015, Magna stock delivered a 1,000% return! Since 2015, the stock is up another 61%. Over the past year, Magna stock has bounced back 172%. Those are strikingly large numbers for a seemingly boring company.

However, the Magna team has been working on some exciting projects behind the scenes. The company has partnered with major car manufacturers to develop a platform for self-driving vehicles. Once perfected, this platform could be critical for future transport across the world.

Magna is also a key supplier for South Korean automaker **Kia**, which is likely to win a deal to manufacture the rumoured **Apple** electric car. If Apple's future car is even remotely as successful as any of its other products, Magna could be in for a windfall.

Add this “boring” stock to your TFSA watch list.

Alimentation Couche-Tard

Gas station convenience store operator **Alimentation Couche-Tard** (TSX:ATD.A)(TSX:ATD.B) may seem like a boring stock that’s fading into obsolescence. However, the company’s recent strategic moves and strong balance sheet indicate much brighter prospects.

For one, Couche-Tard has been rolling out electric vehicle charging stations across its stores in Europe. All of the company’s outlets in Norway, where more than half of new cars sold are electric, have EV charging stations. In 2021, the company plans to roll these charging stations across the U.S. and Canada.

Couche-Tard also has exposure to the legal cannabis space. Last year, the company raised its stake in cannabis retailer **Fire & Flower** to 15%. This investment could be yet another way for Couche-Tard to offset the future losses of fuel sales.

Finally, this “boring stock” could be on the [verge of a very exciting corporate deal](#). It has \$3.5 billion in cash on its book and access to much more in debt financing. This cash could be used to acquire a mega-retailer or diversify the business further. Or it could just be handed back to investors in the form of a special dividend.

Bottom line

Exciting stocks are usually overvalued. Meanwhile, overlooked stocks with exposure to exciting sectors — including electric vehicles, self-driving cars, and legal cannabis — could deliver better returns. Add Couche-Tard and Magna stock to your TFSA watch list.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:MG (Magna International Inc.)

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