



The Top 2 Stocks for Your TFSA in 2021

Description

You can contribute yet another \$6,000 to your [Tax-Free Savings Account \(TFSA\)](#) this year. Every precious dollar in tax-free capital gains and dividends should be maximized if you're trying to create wealth. With that in mind, here are the top two stocks you may want to consider for your TFSA in 2021.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.A)(TSX:ATD.B) hasn't been an exciting stock to hold. The price is currently at the same level it was two years ago. The 0.9% dividend yield doesn't do much to reward shareholders either.

However, there's plenty of value lurking beneath the surface. Over the past few years, Couche-Tard has been accumulating cash at a record pace. It now sits on roughly \$3.5 billion in total cash and cash equivalents. The management team has struggled to find a home for this cash over the past few years.

Couche-Tard announced mega acquisitions deals, but they've fallen apart for reasons beyond its control. The CalTex acquisition in Australia fell apart when the pandemic hit. Meanwhile, the deal to purchase **Carrefour** was blocked by the French government. This means the Couche-Tard team has the ability and willingness to seal a major deal but hasn't had much luck so far.

Eventually, the company will have to either complete an acquisition or hand the cash back to shareholders. That means a bumper dividend could be on the horizon. The company could also consider deploying some of this cash into exciting projects it's already working on, such as the rollout of electric charging stations at its outlets and investments in a legal cannabis producer.

Altogether, Couche-Tard is a robust stock with bright prospects that deserves a spot on your TFSA watch list.

Canada Goose

Outerwear retailer **Canada Goose** ([TSX:GOOS](#))([NYSE:GOOS](#)) is perhaps my favourite Canadian luxury brand. The brand seems to be extremely popular with celebrities, influencers, and wealthy

individuals from across the world. It's also managed to crack through the notoriously difficult market in China.

The stock surged double digits last week when it announced bumper revenue growth. This growth was primarily driven by e-commerce sales and the company's expanding foothold in China. Both these catalysts have much more room to leave an impact.

Canada Goose could be the ultimate rebound stock, as the global economy reopens. Its high-margin products and robust brand appeal should generate incredible value for shareholders. The fact that the stock is trading lower than it was two years ago offers a bargain opportunity.

In short, this stock should be part of your long-term TFSA growth bets.

Bottom line

2021 is the year of the economic rebound. My top two TFSA stocks for the year are Alimentation Couche-Tard and Canada Goose. The former is in great financial shape and could reward shareholders with either a megadeal or a surprise dividend. The latter is on a growth spurt you wouldn't want to miss.

CATEGORY

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3. TSX:GOOS (Canada Goose)

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