



RRSP Investors: 3 Top TSX Stocks to Own in 2021

Description

The deadline for contributing to your RRSP (registered retirement savings plan) is today, March 1, 2021. The RRSP contributions are tax-deductible, which means it can help you lower your tax bill for 2020 by a significant margin.

Canadians can contribute about 18% of their net income toward this registered account. So, if you earn \$60,000 a year, you can contribute \$10,800 to your RRSP. In this case, the Canada Revenue Agency will tax you on your income of \$49,200 instead of the original \$60,000.

We can see why it makes sense to maximize your contributions towards the RRSP. Further, as it is a retirement account, investors can take a long-term view and hold blue-chip stocks that have the potential to generate multifold returns.

Here, we take a look at three such stocks in the **TSX** that you should buy for 2021 and beyond.

Enbridge

When it comes to investing in the top Canadian companies, it is [difficult to miss energy giant Enbridge \(TSX:ENB\)\(NYSE:ENB\)](#). The energy sector has been under the pump amid the pandemic due to a steep decline in global demand.

However, Enbridge's contract-based model allows it to generate a steady stream of cash flows across business cycles, making its dividend safe and sustainable. Enbridge investors can benefit from a forward yield of 7.8%, which means an investment of \$5,000 in this stock will help you generate \$390 in annual dividends.

Enbridge is the largest energy infrastructure company in North America and one that has survived multiple recessions. As long as there is a demand for energy you will require pipelines to transport these commodities.

In Q4 of 2020, Enbridge generated an adjusted EBITDA of \$3.2 billion, up 0.5% year over year. Its

distributable cash flow rose 7.7%, while DCF per unit was up 6.9% at \$1.09 per share.

Lightspeed

While Enbridge is an established player that will generate steady returns over the long-term, growth investors can look at add **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) to their RRSP portfolio as well in 2021.

Shares of Lightspeed have returned 165% in the last 12-months and have gained an impressive 400% since its Initial Public Offering (IPO) two years ago. LSPD ended December 2020 with a customer base of 115,000 as it experienced another quarter of organic customer location additions.

In its most recent quarter, LSPD increased sales by 79% year over year to US\$57.6 million. After accounting for acquisitions, revenue stood at US\$49.3 million. This was higher than its previous guidance of sales between US\$44 million and US\$47 million.

Lightspeed's [software and payments revenue](#) was US\$52.5 million and accounted for 91% of total sales in the quarter, indicating a rise of 85% year over year. Adjusted EBITDA loss stood at US\$6.6 million, compared to a loss of US\$5.2 million in the prior-year period.

As a percentage of sales, LSPD's EBITDA loss was 11% — an improvement of five percentage points compared to the 16% figure in the last year.

Trulieve Cannabis

Marijuana stocks have been on an absolute tear in the last three months. The Joe Biden win has meant investors are optimistic about widespread legalization south of the border, bringing stocks such as **Trulieve Cannabis** into focus.

Unlike its Canadian counterparts, Trulieve has remained consistently profitable and has maintained its leadership position in Florida, one of the largest cannabis markets in the U.S. The cannabis heavyweight has almost doubled its sales in the last three quarters to US\$353 million and aims to expand into other regions including Connecticut, Massachusetts, California, Pennsylvania, and West Virginia.

CATEGORY

1. Cannabis Stocks
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2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:ENB (Enbridge Inc.)

4. TSX:HLS (HLS Therapeutics Inc.)
5. TSX:LSPD (Lightspeed Commerce)

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