



## TFSA Investing: The Best Canadian Stocks to Buy

### Description

The Tax-Free Savings Account (TFSA) is an incredibly useful investment vehicle for Canadians. TFSA investing allows for massive tax savings over time, as it allows capital gains to remain untouched by taxes.

A wide range of stocks are suitable for holding within a TFSA. Really, the only stocks investors might consider excluding from a TFSA are dividend-paying U.S. stocks, as there is a dividend withholding tax.

Overall, many of the best Canadian stocks to buy make for ideal TFSA holdings. That's because these stocks can unlock the full benefit of TFSA investing and deliver great results for investors.

Today, we'll look at two such TSX behemoths that are perfect for Canadians investing for the [long haul](#).

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a massive Canadian utility holding company, overseeing operations across multiple continents. As of this writing, it has a market capitalization of \$25.75 billion.

FTS is an ideal choice for those taking a long-term approach to their TFSA investing strategy. This utility giant won't blow your socks off in terms of gains in a single year, but it's a consistent performer.

The reason for this observed behaviour lies in the way Fortis structures its operations. Namely, it provides its utility services largely through regulated contracts.

As such, its revenue sources are consistent, reliable, and predictable. This trickles down to the investor by way of a rock-solid dividend and a beta of 0.05, indicating FTS barely moves with the market.

As of this writing, FTS is trading at \$54.89 and yielding 3.68%. So, investors looking for a stable addition to their TFSA investing plan can find one in this stock.

It's important to note that this isn't a flashy stock by any stretch. You'll likely never see massive gains in

a given year or large jumps in general.

However, it makes up for that with its ironclad stability and extremely reliable dividend. Over time, these things can work wonders in a TFSA for an investor's total return bottom line.

Investors with a more conservative risk profile and a hankering for dividend growth will be interested in FTS.

## BMO

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is a TSX [banking giant](#) with a phenomenal track record for rewarding its investors with a solid dividend. This is one of the best Canadian stocks when it comes to TFSA investing.

BMO has a wide moat of revenue sources with diverse geographical and sector-based positioning. As such, it has a large cushion to ride out rough times and still deliver value to investors.

Despite very rough market conditions during 2020, BMO managed to largely stay the course, and its dividend was never in question. In fact, BMO hasn't missed a dividend payment since it first issued one in 1829.

When it comes to TFSA investing, it's hard to top the combo of moderate growth and attractive dividend payouts that BMO offers. This banking star can help investors achieve great long-term total returns through patient investing in a TFSA.

Investors looking to latch on to one of Canada's premier industries with a well-balanced stock will surely be interested in BMO.

## TFSA investing plan

Both FTS and BMO are formidable additions to a TFSA investing strategy. They both bring certain benefits to the table that can help investors achieve their long-term investing goals.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:FTS (Fortis Inc.)

### PARTNER-FEEDS

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