



## A Top TSX Stock to Buy With Your CRA Tax Refund

### Description

It's that time of the year again, the CRA tax deadline. Many Canadians will stand to get generous refunds this year, and if you're lucky enough to be one of them, please, don't splurge it or worse, let it collect dust in your Tax-Free Savings Account (TFSA). Inflation is looming, and with the Canadian economy likely to experience its biggest bounce back in decades, I think now is as good a time as any to put your CRA tax refund to work in some top **TSX** stocks.

The markets have been ripping higher, and although it's tempting to wait for the next inevitable correction, many beginner investors will be unknowingly run the risk of missing out on considerable upside from this rally that could very well dwarf the next correction. That's why I'm an advocate of [swinging at the pitches that land within your strike zone](#), regardless of when some talking head thinks the next market crash or correction will hit.

## Take a page out of Warren Buffett's playbook!

Odds are they'll be wrong. As such, it's a far better idea to listen to the great Warren Buffett. Be humble and acknowledge that things could go either way and prepare accordingly. That means buying now but not exhausting your cash reserves such that you won't have the funds to take advantage of the next fire sale on stocks.

Like Black Friday, market corrections usually only hit around once a year, on average. Unlike Black Friday, though, there's no set date for the next stock market correction, and there's no guarantee it'll even hit in any given year. That's why it's wise to hedge your bets and at least take a bit of your CRA tax refund to do a bit of buying, even if you're a tad uncomfortable putting money to work at all-time highs.

In this piece, we'll have a look at an undervalued TSX stock that I think is a top buy right now. I'd bet the name will put the broader **TSX Index** to shame by year's end, as [prudent value investment](#) looks to outshine the "growth at any price" strategy that paid off big last year.

## A top TSX stock pick for your CRA tax refund!

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a boring utility stock and bond proxy that's been among the unsexiest of plays over this past year, as cyclicals and growth led the upward charge in this unstoppable market rally. But that's exactly why I like it. What you see is what you'll get from Fortis stock. It's one of my favourite bond proxies to hold at the core of your portfolio. With a handsome 3.7%-yielding dividend and a low beta, you'd be glad you held the name when the markets finally head south.

Moreover, Fortis is a far better investment for your CRA tax refund than cash or bonds, both of which, I believe, are the riskiest they've ever been. Sure, cash and bonds are "risk-free" in that you won't lose money, but when you take opportunity costs and inflation into the equation, it becomes more apparent that cash and bonds are less worthy of a spot in your portfolio.

Bonds aren't what they used to be. Fortunately, I believe Fortis is a great bond proxy for investors looking to beat the markets whilst getting a growing payout. You won't find that with bonds and their fixed coupons!

### CATEGORY

1. Dividend Stocks
2. Investing
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1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

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### Date

2025/09/11

### Date Created

2021/04/30

### Author

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