



## TFSA Investors: Buy These Inflation-Fighting Stocks Now!

### Description

Inflation in Canada is set to rise at an astounding rate over the next few years. Back in 2019, inflation rose by 1.9%. Then the pandemic hit and that number shrunk to 0.7%. With the economy recovering and the vaccine rolling out, banks estimate a rise in inflation of 2.5% in 2021 and 2.2% in 2022.

The Tax-Free Savings Account (TFSA) is one of the best ways to fight back inflation. It offers investors a way to make investments with no extra taxes attached, including when you take the cash out! All you pay are commission fees when investing. Beyond that, just follow the contribution rules and you're set!

So investors need to have a TFSA and take this chance to buy top Canadian stocks while they're down. Yes, there are still undervalued Canadian stocks out there, and many are due for massive growth in the recovery. So let's take a look at two options.

### CIBC

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is one of the Big Six banks in Canada with a market capitalization of \$65.2 billion as of writing. It's one of the [best choices](#) when it comes to investing to fight inflation thanks to the company's investment in Canadian stocks (especially energy stocks), as well as its growth opportunities for your TFSA.

CIBC continues to improve its core banking performance. And due to its Canada focus, its consolidated returns remain some of the highest in the industry. This comes largely thanks to the government continuing to make the Canadian market attractive through barriers to entry, protecting high returns, and keeping the housing market under control.

CIBC remained solid even during the downturn, with shares back at pre-pandemic levels and even all-time highs. The company announced a net income increase of 34% year over year during its latest quarter of \$1.625 billion.

With the housing market continuing to be booming across Canada rather than busting, CIBC should continue to benefit from strong results even in the next quarter. Add in the rebounding oil and gas

sector and CIBC should see an incredible year.

CIBC stock trades at \$145 per share, up 56% in the last year alone. Investors who buy today also get the highest dividend yield of the Big Six Banks at 4.03%!

## Lightspeed

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) remains one of the top e-commerce stocks to buy to date, especially when taking into account the rise in inflation. If you're investing in a booming sector like e-commerce, you want a booming stock that will gain over 2.5% per year. That would [definitely include](#) Lightspeed stock.

Lightspeed stock sells software for small- and medium-sized retailers and restaurants, as well as providing an e-commerce platform. The company recently continued its acquisition spree by adding two companies for a deal worth US\$925 million.

The e-commerce giant with a market capitalization of \$11 billion added e-commerce company Ecwid and wholesale software business NuOrder in hopes to unite merchants, suppliers, and consumers. The deal gives Lightspeed stock access to companies like **Canada Goose Holdings**, Converse, and Steve Madden, to name a few. The company continues to increase the access it has to a very large customer base.

The company continues to perform well, demonstrating why it's a solid stock to buy to fight off inflation. Shares are up 163% in the last year alone. After a pullback with e-commerce stocks, shares are fighting back to all-time highs of just over \$100 per share.

Meanwhile, it continues to pump out strong earnings reports during the pandemic and looks to do so beyond. The company saw yet another record quarter, with revenue growing 127% year over year. It boasts over 140,000 customer locations and \$807.2 million in unrestricted cash. Furthermore, it expects revenue to double for fiscal 2022!

## Foolish takeaway

While these stocks may not be cheap, investing in these strong companies gives investors the best way to fight off inflation, especially when coupled with a TFSA. You can contribute regularly to both of these companies knowing they will be here for years to come. Meanwhile, you'll continue to see returns that far outweigh inflation, no matter how high inflation rises down the line.

### CATEGORY

1. Bank Stocks
2. Coronavirus
3. Investing
4. Personal Finance

### TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)

2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:LSPD (Lightspeed Commerce)

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