



Top 3 TFSA Stocks to Buy in June

Description

With the vaccination drive finally picking up, June is all about the economic reopening. Bars, restaurants, salons and pools are finally going to be available to the general public. That's good news for recreational stocks. Investors might want to consider adding some of these fund rebound stocks to their Tax-Free Savings Accounts (TFSAs).

Here are the top three TFSA stocks for June.

TFSA stock #1

BRP ([TSX:DOO](#))([NASDAQ:DOOO](#)) has had a phenomenal run over the course of this crisis. The company offers outdoor recreational products such as the Sea-Doo jet ski and Ski-Doo snowmobile. With leisure activities shut throughout the past year, sales of these recreational products skyrocketed.

[BRP stock is up 351%](#) since March last year. In other words, it has performed nearly as well as some tech stocks during the crisis. For the three months ended April 30, 2021, the company reported \$244 million in profits — a dramatic swing from the \$226 million in losses it made the same quarter last year. Sales were also up 47% over this period.

The company's all-terrain vehicles, motorcycles, and personal watercraft should see sustained demand throughout summer 2021. People still have excess savings and a desire to get out for leisure activities like never before. Meanwhile, BRP stock is trading at a paltry nine times earnings per share. This undervalued, overlooked TFSA stock should be on your list.

TFSA stock #2

Another beneficiary of the reopening is **Canadian Tire** ([TSX:CTC.A](#)). Auto parts sales and repairs should surge, as people start traveling again and interprovincial restrictions are lifted. Meanwhile, Canadian household savings are near an all-time high. Much of this could find its way to home renovation and sports goods.

The stock is already up 22% year to date. Much of that was gained in May, when the stock surged 10%. Despite this surge, the valuation is still attractive. Canadian Tire stock is trading at 13.5 times earnings per share and offers a robust 2.3% dividend yield.

This TFSA stock certainly deserves a spot on your list for summer rebound stocks.

TFSA stock #3

Unlike the other two stocks on this list, **Recipe Unlimited** ([TSX:RECP](#)) benefits from the reopening of indoor dining rather than outdoor sports. The company owns and operates a portfolio of food and beverage brands across Canada. This includes Harvey's, Montana's BBQ & Bar, New York Fries, Swiss Chalet, The Keg, and Pickle Barrel.

Nearly all of these brands have been forced to remain shut or rely on food deliveries for the past year. However, their competitive advantage is the location and service at their various outlets, which means indoor dining is essential for their profitability.

As provinces reopen and indoor dining resumes, Recipe Unlimited should see a rebound in sales and net profit. Meanwhile, government subsidies and the decline in rents for commercial property may have lowered the company's costs over the past year. That's what makes this an ideal TFSA stock for June.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NASDAQ:DOOO (BRP Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:DOO (BRP Inc.)
4. TSX:RECP (Recipe Unlimited)

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