3 TSX Stocks To Fall Back on As the CRA Phases Out CRB

Description

The stock market saw some crazy momentum this year, from short squeeze to pandemic waves. If you have noticed, all these crazy moves came because there was money in the economy, which was injected from the government stimulus package. The Canada Revenue Agency (CRA) is phasing out the Canada Recovery Benefit (CRB), leaving little room to take risks.

Three stocks to fall back on

If you have burnt your hand in the short squeeze, it is time to invest in fundamental and dependable stocks. They might not give you a 40-50% hike in a month or two, but they won't fall 20-30%. Here are some resilient stocks that can surge double-digit in a year. If you invest in them via Tax-Free Saving Account (TFSA), you can enjoy tax-free returns.

BCE

BCE (TSX:BCE)(NYSE:BCE) is the telecom stock known for its over 30 years of regular dividends. Over the years, the company built an infrastructure so vast that it is generating sufficient cash flow to expand the network outreach and pay higher dividends.

BCE operates at a 42.6% adjusted EBITDA margin and has an average revenue growth rate of 2-3%. Its revenue growth rate fell last year due to the pandemic, but it is back on track and expects a 2-3% revenue growth in 2021.

But this time, BCE is offering something more, the 5G rollout. It is investing aggressively in the 5G infrastructure, and it is now beginning to realize the revenue. The stock surged almost 13% year to date. The 5G is gaining momentum, and it will grow as more and more 5G supported devices come to the market.

Descartes stock

Descartes Systems (TSX:DSG)(NASDAQ:DSGX) is a resilient stock, as its supply chain management services are in demand under every circumstance. As long as information, people, and goods transit from one place to another, Descartes's solutions will be in demand. For instance, last year, it saw a significant surge in its e-commerce solutions.

Descartes revenue is growing at an average rate of 14% and has an adjusted EBITDA of over 34%. The pandemic slowed Descartes's revenue growth rate to 7% last year, but it is back to normal this year. As the economy reopens, it will see an increase in demand from retail, transportation, and manufacturing segments. The stock has already surged 21.5% year to date and can continue its upward momentum.

Lightspeed stock

Most e-commerce companies are seeing their growth normalize as the economy reopens. But this normalization is a good sign for **Lightspeed POS** (TSX:LSPD)(NYSE:LSPD) as it is seeing a recovery in the restaurant segment. The company offers omnichannel solutions to both retail and restaurants.

During the pandemic, growth in the retail sector offset weakness in the restaurant sector. Now the retail growth is normalizing, and restaurant growth is picking up. On top of this, there are some accretive acquisitions like Vend that will accelerate earnings.

The growth story has just begun. Although the stock price growth is not as aggressive as last year, it is strong. The stock surged 30% year to date.

Final thought

Unlike cryptocurrencies or short squeeze bets, the above three stocks have what it takes to give you some peace of mind. These stocks can grow your money at a decent pace in the next three to five years.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

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2. NYSE:BCE (BCE Inc.)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:BCE (BCE Inc.)
5. TSX:DSG (The Descartes Systems Group Inc)
6. TSX:LSPD (Lightspeed Commerce)

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