



TFSA Investors: Buy 3 Stocks to Add Explosive Growth to Your Portfolio

Description

One of the significant differences between an RRSP and a TFSA is the size of the contributions allowed each year. The RRSP offers significantly larger contribution rooms than the TFSA's rigid \$6,000 ones, so if you are used to maxing them both out, you will potentially create a significantly larger nest egg in the RRSP (assuming you are storing similar assets in both).

There is a way to give your [TFSA portfolio](#) an edge, though, and that's with stocks that have explosive growth potential. To that end, there are three stocks that should be on your radar.

An air purification equipment company

Xebec Adsorption ([TSX:XBC](#)) has a [futuristic goal](#): to replace unclean fossil gases that negatively impact the environment with clean gases, like hydrogen, for most fuel needs. The company has already overseen 250 hydrogen installations around the globe and installed several gas purification systems around the world, most of them (129) in North America.

The nature of its business — i.e., air purification — especially with the backdrop of the pandemic, should have attracted the investors, and it did for a while. The stock grew over 420% between its market crash valuation and its 2021 peak, but it crashed hard and is currently trading at a price that's 71% discounted from its recent peak. It's now lower than where it would have been if the pandemic didn't happen.

But if we consider its growth pace before the pandemic *and* its powerful financial recovery, the stock seems well poised for explosive growth.

A slowly recovering cargo stock

Cargojet ([TSX:CJT](#)) stocks seem like it has lived through its glory days. It was one of the most potent growth stocks before the pandemic and grew almost 450% in four years preceding the 2020 crash. It was another one of the stocks that spiked after the market crash and grew nearly 160% in about eight

months before reaching its peak in 2020.

But it has been downhill ever since. In 2021, the stock has actually fallen 8%, but it seems like it's slowly turning things around. The stock is showing more life, and although the growth is not consistent neither explosive, Cargojet's history gives us hope. Its relationship with **Amazon** and its critical role in the North American e-commerce supply chain might allow the stock to start growing at its pre-pandemic pace again.

A tech stock

Another stock that, after a powerful post-crash spike, has fallen down to levels lower than it would have been if the pandemic didn't disrupt the market the way it did, is **Real Matters** ([TSX:REAL](#)), a technology company that offers services to the real estate industry — more accurately, to the insurance providers and mortgage lenders. The premise is that it allows real estate professionals to make intelligent decisions.

[Real Matters's](#) spike was quite impressive as well. If you had bought into the company when it was trading at its lowest point during the crash, you'd have tripled your stake in fewer than five months. The stock grew by 200%, and then it started to fall. It's already down 61.5% from its 2020 spike, and the valuation has also reached a more agreeable level.

Foolish takeaway

The three growth stocks have the potential to explode and provide an unnatural acceleration to your TFSA portfolio. All three are currently in a rut, and even if they are undervalued, they are more discounted than they have been in quite a while. Keep track of the financial recovery of the stocks and the price movement. As soon as you see the growth pace gaining momentum, consider adding them to your portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:REAL (Real Matters Inc.)
3. TSX:XBC (Xebec Adsorption Inc.)

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