



## Millennials: 2 Top Canadian Stocks to Stash in Your TFSA Amid Higher Inflation

### Description

Arguably, the greatest risk to millennials is not being invested enough in the markets with their TFSAs (Tax-Free Savings Accounts), even as they continue their ascent to hit fresh all-time highs. You see, the TFSA is a tool, which, if leveraged properly by young investors, could evolve to become the difference between a later, modest retirement in frugality and an early, comfortable retirement.

Undoubtedly, many millennial investors aren't thinking that far into the future. But they should be, especially if a majority of their TFSA is allocated in cash. Interest rates are at (or close to) rock bottom these days. With inflation on the rise, investors not only need to find ways to grow their wealth, but they need to find a way to defend it from the purchase-power-eroding effects that come with elevated [inflation](#).

## Millennials: What's the best place to shelter your wealth from inflation?

Gold, Bitcoin, and other exotic alternative assets come to mind. But arguably, the best place to fight off inflation is with common stocks, especially those with pricing power. With common stocks, one can realize a good shot at obtaining a real return (that's return after inflation is considered). And by keeping equities out of a TFSA portfolio, one is doing themselves a great disservice. The greatest risk, I believe, is not taking any risk.

So, unless you're a millennial who's getting ready for a big-ticket purchase like a car, wedding, or a home, it makes sense to reach for the value to be had in select common stocks, even with the average valuation on the higher end. While stock valuations may be stretched, they're certainly not high as they could be given the disturbing lack of alternatives.

In this piece, we'll have a closer look at two Canadian stocks you can comfortably stash in your TFSA for the long haul. By long haul, I mean five, 10, or even 20-year investment horizons.

## Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) isn't exactly a stock that most would refer to as an investment suited for millennials. Undoubtedly, Fortis is a staple in any retiree's TFSA portfolio for its safety and resilience. For reluctant millennials who want to proceed in this frothy market cautiously, however, Fortis is a magnificent holding that could allow one to outperform fixed-income securities (especially longer duration ones), which, while tagged as "risk-free," is actually riskier for investors in bond funds of varying length maturities.

Highly- regulated utilities like Fortis are arguably the better place to be in an era of low rates. Fortis has a reasonable yield of 3.5% and a low correlation. While Fortis may not be a sexy growth stock, it's the epitome of a foundation stock, and it can hold up any TFSA under any market "weather."

## CP Rail

**CP Rail** ([TSX:CP](#))([NYSE:CP](#)) is another great dividend [grower](#) that could allow one to outpace markets over the extremely long haul. The wide-moat rail company is currently in the midst of a battle with rail peer CN Rail for the right to acquire Kansas City Southern. CP Rail sweetened the pot, but pending regulatory feedback and another vote by KSU shareholders, CP Rail may have to add even more sweetener if it seeks to walk away a winner.

Undoubtedly, the KSU rail network fits perfectly into CP's. It's like the missing piece of the puzzle that could give CP the growth edge it needs over the next decade. Ultimately, I think CP will walk away with the assets, and the stock could be on the cusp of some pretty solid returns for many years to come as volumes continue on the uptrend.

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