



1 Top Canadian Stock for Your TFSA Retirement Fund

Description

Canadian investors looking to create a secondary retirement fund to supplement their Canada Pension Plan (CPP) and Old Age Security (OAS) pension programs to fund a more comfortable retired life have plenty of financial instruments available to them to achieve that goal for financial freedom.

One particular method to build your wealth is through a tax-sheltered account called the Tax-Free Savings Account (TFSA). Using [TFSA investing](#) with a long investment horizon and using it to store the right assets can allow you to create and grow your wealth at a much better pace than setting cash aside in a High-Interest Savings Account (HISA) or investing your money in low-yielding bonds and other fixed-income assets.

Today, I will discuss the market outlook to help you understand why it's necessary to look for high-quality dividend stocks that can ensure [solid long-term growth](#) for your retirement nest egg in a TFSA and a stock that you can consider adding to your portfolio for this purpose.

The market outlook

S&P/TSX Composite Index has been consistently at or near new all-time highs for most of this year, and many investors might consider that the Canadian stock market is in or near overbought territory. The threat of a fourth wave of infections is one of the several possible reasons we could see a market downturn.

Rising inflation rates could also impact the recovering economy. The Bank of Canada is comfortable with keeping interest rates low for now. But if inflation rates continue to rise going into 2022, it might be forced to enact raising interest rates to counter the inflation. Highly leveraged businesses and homeowners with hefty mortgage debt could find themselves unable to cover their payments if interest rates rise.

Searching for high-quality dividend stocks could provide you with a reasonable hedge for your retirement portfolio by helping you grow your wealth at a pace that matches or surpasses the rising inflation rates.

A high-quality dividend stock

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is a \$61.47 billion market capitalization business that owns and operates over \$100 billion of energy infrastructure and power-generation facilities throughout Canada, the U.S., and Mexico. Its natural gas transmission and storage business is a core offering from the company that plays a crucial role for power generation facilities, keeping commercial and residential buildings warm, and providing water heating services.

The essential nature of the service makes TC Energy a company that you can consider free from the cyclical nature of the broader market. While it might not offer much in terms of excitement through rapid capital gains, TC Energy stock makes up for it through reliable and steady cash flows.

The company's new \$21 billion capital program can support steady revenue growth for the company that can reflect in the form of growing shareholder returns.

At writing, the stock is trading for \$62.70 per share and offers a juicy 5.54% dividend yield that you can lock into your TFSA portfolio right now.

Foolish takeaway

TC Energy stock looks like an excellent pick for investors looking to create a retirement nest egg in the current market environment. The company owns and operates a network of energy infrastructure facilities to provide shareholders with reliable income through steady cash flows regardless of broader economic conditions.

The natural gas industry has a strong future, and TC Energy stock could be a viable acquisition for your [TFSA portfolio](#).

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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