



## 2 Under-the-Radar Stocks to Add to Your Watchlist

### Description

The Canadian stock market is heavily weighted in the country's most significant financial institutions. The likes of **Royal Bank of Canada** and its peers among the [Big Six Canadian Banks](#) are some of the largest stocks on the **TSX** in terms of market capitalization, and most conversations about Canadian banking stocks revolve around these "usual suspects."

However, that does not mean you should overlook other stocks in Canada's financial sector if you are looking for investments that can provide you with reliable shareholder returns. Today, I will discuss two under-the-radar stocks that should be on your watchlist this month. Allocating a decent portion of your [Tax-Free Savings Account](#) (TFSA) to these low-key financial sector stocks could provide you with stellar tax-free returns.

### MOGO

**MOGO** ([TSX:MOGO](#))([NASDAQ:MOGO](#)) is a fintech company based in Vancouver that could be a viable stock to consider if you are looking for under-the-radar stocks from Canada's financial sector. Mogo was one of the first Canadian fintech firms to dive head-first into the cryptocurrency space early in 2018 to combat the advent of increased digital offerings from Canada's major financial institutions in the last decade.

The move proved to be profitable for the business as the bull run for cryptocurrencies provided a significant revenue boost. In Q2 2021, Mogo reported revenue growth of 29% and gross profits of \$12.1 million. The company also gained significant returns of almost \$25 million from its investment in Coinsquare and the stock could be worth holding for the long run to enjoy stellar shareholder returns.

### Laurentian Bank

**Laurentian Bank** ([TSX:LB](#)) is unlike Mogo stock because it is a traditional financial institution. The \$1.75 billion market capitalization financial institution is a Montreal-based regional bank. At writing, Laurentian Bank is trading for \$40.20 per share, reflecting almost 30% year-to-date gains on the TSX

in 2021.

Q3 2021 saw the bank's net income rose by 25% year over year to \$59 million, and its revenue growth stood at 3% as the bank reported sales of \$254.88 million. The first three quarters of fiscal 2021 saw the bank's net income grow by 70%. Analysts who are tracking the stock have a 12-month average price target of \$46.7 for the stock.

Between its near-term upside potential and juicy 3.98% dividend yield, it could be an attractive asset to buy and hold in your TFSA portfolio.

## Foolish takeaway

TFSA Investing is an ideal way for investors to keep more of the return on their investments because any contributions you make to the account are in after-tax dollars. It means that any earnings from investments held in the account through interest, capital gains, or dividends can grow without incurring any income taxes.

If you are looking to maximize the returns from your TFSA account, [creating a balanced portfolio](#) could be an ideal way to go. Investing in under-the-radar stocks like MOGO stock and Laurentian Bank might be excellent for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:MOGO (Mogo Inc.)
2. TSX:LB (Laurentian Bank of Canada)
3. TSX:MOGO (Mogo Inc.)

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