TFSA Portfolio: 3 Top Canadian Stocks to Buy in November

Description

You have only 40 days left to invest $6,000 in the Tax-Free Savings Account (TFSA) — the limit set for 2021. You can also carry forward this balance next year. But if you are the kind who splurges with money in hand, I would suggest you exhaust your 2021 TFSA limit this year. Here are three Canadian stocks to buy in November:

- **BCE** (TSX:BCE)(NYSE:BCE)
- **TC Energy** (TSX:TRP)(NYSE:TRP)
- **Dye & Durham** (TSX:DND)

All three companies released stable quarterly earnings in November, and their stocks have not made any significant movement. This is an opportunity to buy these stocks and hold for the long term for good returns. Here's why I am bullish on the three stocks.

BCE stock

The overall telecom sector is seeing pent-up demand that is driving net new mobile phone subscribers. While BCE's revenue and earnings were in line with analyst estimates, its net wireless postpaid additions of 114,821 beat expectations of 104,800. The cash received from postpaid subscribers will drive earnings. The telecom operator is diverting its cash flow towards 5G infrastructure. Hence, its free cash flow (FCF) fell 44.8% year over year.

As the FCF level reduces, there is a possibility that the company might not increase its dividend next year or reduce the dividend-growth rate. But this scenario will change once the two-year capital-spending acceleration ends. The company might probably compensate for the two years of slow dividend with significant dividend growth. BCE stock is trading 4.3% below its September high, generating a dividend yield of 5.46%. The stock has significant growth and dividend potential as it rides the 5G wave. Hence, it deserves a spot in your TFSA.

TC Energy stock

TC Energy has been in the limelight after it cancelled its decade-long Keystone Pipeline project. The company reported billions in impairment cost, but it freed up capital for other projects. TC Energy has $22 billion in capital projects through 2025. Despite this, the stock fell around 6.5% after the earnings as the company modified its near-term dividend-growth outlook to 3-5% per year from 5-7% per year.

The dip in stock price has enhanced its dividend yield to 5.58%. Once the above capital projects come online, TC Energy would boost its dividend growth to maintain a 6.8% average dividend-growth rate. This is a good time to park your funds in a strong dividend-paying stock for the long term.

Dye & Durham

Unlike BCE and TC Energy, Dye & Durham reported strong earnings thanks to its recent acquisitions. The technology solutions company enjoys long-term contracts with governments and professional firms. Acquisitions form an integral part of its growth strategy. The stock's growth has normalized after the significant boost since its initial public offering (IPO). I now see the stock growing at a steady pace as it makes new acquisitions and grows revenue and net income.

Foolish takeaway

There is always a share to buy and a share to sell in a bull or a bear market. The trick is to identify which stock to buy and at what price. Once you have a company with strong business and long-term growth potential, buy the stock at a dip and hold it. Keep increasing your stake whenever there is a correction in the stock price. This way, you can build a value portfolio in your TFSA.

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2. NYSE:TRP (Tc Energy)
3. TSX:BCE (BCE Inc.)
4. TSX:DND (Dye & Durham Limited)
5. TSX:TRP (TC Energy Corporation)

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