



## The CRA Sets 2022 TFSA Limit At \$6,000: 3 Stocks to Buy

### Description

The Canada Revenue Agency (CRA) has set the [2022](#) Tax-Free Savings Account (TFSA) limit at \$6,000. Why should you care? When you invest in this account, the income you generate through yield, interest, stock returns is tax-free.

### What can you get from a \$6,000 TFSA contribution?

A disciplined investment of \$6,000 every year for the next 10 years can bring your TFSA balance to over \$105,000, of which \$45,000 would be your tax-free investment income. How do you go about achieving this portfolio? To earn this investment income, you have to maintain your portfolio's average annual return at 10%.

The trick is to balance your portfolio with growth and dividend stocks, some aggressive and some resilient stocks. This way, when one stock underperforms, the other stock's higher returns offset the dip and maintain portfolio returns. Here I have identified three stocks that can give you a balanced portfolio and help maintain a 10% return in the long term if things bode well.

- **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#))
- **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#))
- **BCE** ([TSX:BCE](#))([NYSE:BCE](#))

### Lightspeed stock

Lightspeed share is [falling](#), and there is no break to this fall. Since the short-seller report in late September, the stock has dipped 53%. One party making money from this dip is Spruce Point Capital Management, the one who released the report. This is the company known for targeting firms, [shorting](#) their stock, and then bringing their stock price down through their research.

Spruce Point is alleging Lightspeed for artificially inflating performance metrics like customer numbers and average revenue per unit (ARPU) and hiding churn rates. But it does not state that the key

financial statements are wrong in any form. Spruce Point highlighted the ARPU and rising losses but did not say anything about the 100% plus revenue growth and \$1.15 billion net cash balance.

Even if Spruce Point's allegations are correct, Lightspeed might have rectified their financial statement disclosures in the latest earnings. And share prices reflect the future earning potential, which is still bright. The stock is currently down 50% because the short-seller report has shaken investor trust and created panic among investors. This is the time when you buy the stock. Once this tension eases, the share could rally to unprecedented levels.

## Enbridge stock

While Lightspeed can double your money in a year or two, it can also halve your money. To protect your portfolio from downside risk, you need dividend stocks with a legacy of a long-term uptrend and dividend growth. Pipeline company Enbridge and telecom company BCE are a perfect fit. They ensure a 5-6% average dividend yield, plus a 3-6% dividend growth annually.

A cyclical stock like Enbridge has its up and down cycles. The stock tends to fall 15-20% and then surge 20% in the upcycle. This cyclical nature comes because of fluctuation in oil and gas demand. During the winter, energy demand is high. Moreover, Enbridge unveils the annual dividend growth rate in December on Enbridge Day. Depending on the growth rate, the stock surges. You can maximize your returns by buying Enbridge at the dip as its dividend yield also rises.

Currently, the share is trading at a 7% discount from its 2021 peak that has increased its dividend yield to 6.66%. I expect the company to announce a 3-5% dividend growth in December and the stock to surge 10-15% between December and February winter.

## BCE stock

BCE stock has surged 14% in a year while giving an average dividend yield of over 5%. But the stock price growth has hit a plateau since September fall as investors have already priced in the revenue and cash flow growth from the pandemic recovery. The stock surged 20% between March 1 and September 1. The company has diverted its cash flow toward its capital spending on 5G infrastructure. This could lower its dividend growth rate till 2022. But this growth rate is compensated by capital appreciation.

Once the 5G starts bringing cash flow, BCE might increase dividends and suffice your requirement for a 10% average annual return.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)

3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:LSPD (Lightspeed Commerce)

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## **Date**

2025/08/21

## **Date Created**

2021/11/23

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