



## 2 Stocks I'd Buy With a \$6,000 TFSA Contribution

### Description

It's TFSA (Tax-Free Savings Account) contribution season again, with eligible Canadians now able to contribute another \$6,000 to their accounts. Indeed, some may be [tempted](#) to wait until the TSX Index pulls back before contributing and buying new securities. There are a lot of things to worry about in the new year. Still, things could be better than expected, even if 2022 ends up falling short of 2021 from the front of returns.

By playing it smart and [strategically](#), and by passing up on the white-hot momentum plays that made so many investors rich over the past two years, one can do reasonably well, without the need for excess worry. While **Bitcoin** and unprofitable growth stocks may have the most room to run once it's finally time to reverse course, I'd argue that playing it "boring" with good, old-fashioned, predictable earnings growers is arguably the best use of one's \$6,000 TFSA contribution.

## Got \$6,000 to Invest? Here are my two top TFSA stock picks for Canadians

In this piece, we'll check out two stocks atop my TFSA buy list for the year. Each name is profitable, growing earnings at a steady rate, with a valuation on the lower end of the historical range. In my books, each "value" stock could outperform the fastest-falling unprofitable growth stocks, as we inch ever so closer to 2022 rate hikes.

### TD Bank

First up, we have **TD Bank** ([TSX:TD](#))([NYSE:TD](#)), a premier Canadian bank that stands to profit profoundly, as rates finally begin to ascend. In an environment where rates could rise at a steady pace, investors should think about adding financial exposure to their TFSAs. The Canadian banks are a solid bet, and TD is arguably one of the top two best banks for your buck in January.

Indeed, TD and the broader Big Six showed they're incredibly bullish on their future, with rate hikes up

ahead. Generous dividend raises and sizeable share-buyback programs were a major part of this latest earnings season. While TD didn't hike its payout by the largest amount, I think the quarter was outstanding. Further, TD has made its intentions clear: it's interested in acquisition opportunities in the U.S. retail banking scene. Valuations in the financial space, I believe, are still low, given the favourable road ahead. That's why I think TD is smart to be on the hunt for a deal to bolster its American presence.

Even if TD doesn't acquire anything in 2022, the bank has more than enough financial flexibility to reward shareholders for their patience. For that reason, TD is one of my TFSA top picks to keep an eye on in 2022.

## Suncor Energy

The energy sector enjoyed a massive boom in 2021. I think the strength will carry over into the new year, with dirt-cheap, high-quality integrated producers like **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) that could have ample room to the upside. Who would have thought US\$75 oil would be in the cards just a year ago?

Most didn't, but I didn't rule it out, continuing to pound shares of SU on what was some historic weakness. While nobody knows if US\$100 oil is in store, I think the risk/reward on a name like Suncor is ridiculously low. Suncor stock, in particular, has been slower than its rivals to recover. This could change in the new year, as the turning tides help Suncor reach its 2020 highs once again. Yes, Suncor had a turbulent past few years, but things are starting to look up. At a modest premium to book value, Suncor is one of my top TFSA value picks for those looking for excess risk-adjusted returns in 2022.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:SU (Suncor Energy Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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