



TFSA Investors: 2 Solid TSX Stocks to Buy Today

Description

Disciplined investing in quality stocks would be highly beneficial in the long term. A Tax-Free Savings Account (TFSA) facilitates such consistent investing for the long term and enables your money to grow tax free. Here are two top TSX stocks to buy for the long term.

goeasy

Consumer lending is not an easy business to be in. However, **goeasy** ([TSX:GSY](#)) has dominated the space and reported above-average growth in the last three decades.

The company offers secured and unsecured loans to non-prime borrowers that major financial institutions refuse. goeasy sees around nine million Canadians as its market, with a total addressable market valued at \$200 billion.

Its revenues have grown by 13% CAGR, while net income has grown by 28% CAGR in the last decade. As a result, the stock has been a solid outperformer, returning approximately 3,100% in the same period.

goeasy has performed well in the past. But why and how could it continue to outperform in the future?

Its strategic developments will start reaping benefits soon. It expanded into the auto loan market last year. Canada's auto loan market is valued at \$13 billion and will likely see superior revenue growth in the post-pandemic environment.

Its expansion into point-of-sale channel distribution should also play well in the long term. All in all, goeasy is still a small fish in a big pond.

Strong credit performance, prudent underwriting, and channel expansion could drive goeasy's growth in the long term. The management sees its revenues growing by 11% annually and an average return on equity around 25% through 2023.

GSY stock could be an attractive pick for [TFSA investors](#). Along with stable dividends, they can see superior tax-free capital growth in the long term.

Dollarama

Another [TSX stock](#) that has seen superior financial growth over the years is **Dollarama** ([TSX:DOL](#)).

Its net income grew by a handsome 14% CAGR, while the stock returned a generous 800% in the last decade. Interestingly, the **TSX Composite Index** returned a mere 74% in the same period.

The discount retailer operates around 1,397 stores in Canada and is [expected](#) to reach 2,000 in the coming decade. Its geographical presence is what sets Dollarama apart from its peers. Also, the unique value proposition should play well in the inflationary environment.

Though Dollarama stock is currently trading at its all-time high levels, it could continue to rise higher. The financial growth will likely accelerate amid full re-openings and lower restrictions.

The contribution limit in the TFSA has been raised by \$6,000 for 2022. So, the total available limit for TFSA contribution, if you have never invested in the TFSA so far, will be \$81,500. Investors can expect superior returns from GSY and DOL stocks relative to broader equities in the long term. The benefits could be even higher if held with the TFSA.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:GSY (goeasy Ltd.)

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Author

vinitkularni20

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