3 Growth-Oriented Giants for Your TFSA

Description

Not all growth stocks carry the same level of risk. Some growth stocks, especially the ones that see growth only when special circumstances sway the market in their favour, can be quite risky and unreliable, though even they shouldn't be discounted right off the bat. But there are mature, established businesses with a history of growth that might be significantly better at growing your TFSA funds, given enough time.

A digital payment-processing company

Nuvei (TSX:NVEI)(NASDAQ:NVEI) is not a giant per se — neither in tech (the sector it's in), nor from a financial perspective (the sector it caters to) — but it's certainly a giant in its niche: electronic payment processing.

The Montreal-based company has achieved remarkable growth since its inception and has already penetrated 204 global markets — almost the entire globe. It also offers payment solutions in cryptocurrency, making it a strong player for the future as well.

While the company is not very young, the stock is. It started trading on the TSX in Sept. 2020 and grew about 272% in about a year. Currently, it's in a brutal correction phase that has already pushed the stock down 54%. The reasons for such harsh a dip include the organic post-pandemic correction that the whole tech sector saw as well as a report from a short-selling investment firm that hit Nuvei's credibility.

But even with that "grain of salt," Nuvei can be a growth powerhouse, especially if you buy it during the slump.

A railway company

The railway sector in Canada is highly consolidated, and the smaller of the two players that control most of the market, **Canadian Pacific Railway** (TSX:CP)(NYSE:CP), offers better capital-appreciation potential. The 10-year CAGR is 22%; however, it may change, at least a bit, given how the winds shift following Canadian Pacific's massive acquisition of a U.S.-based railway.

With a much more extensive North American reach and the addition of a lot of assets on its book, the company can go either way. If the business thrives, and the new merger also opens significant new business opportunities, then the currently very reasonably priced CP stock will become even more attractive. But if the merger starts weighing down the financials and the future of the company, the stock may take a dip. However, the chances of that are quite low.

A growth-oriented gold stock

While it's not the *only* long-term growth stock in the Canadian precious metal sector, **Franco-Nevada** (TSX:FNV)(NYSE:FNV) is typically the first name that comes to mind when investors look for golden growth stocks. The stock doesn't perform the same way most other gold stocks do — contrary to the market. When there is uncertainty in the market, the demand for gold and, consequently, gold stocks go up.

But Franco-Nevada stock tends to grow quite consistently, even when the market conditions are not very favourable to the precious metal sector as a whole. The 10-year CAGR of 16.6% endorses it as a powerful long-term growth stock that can be quite a force in your TFSA portfolio.

Foolish takeaway

All three companies have strong long-term growth potential, considering their history and place in the markets that are likely to stay relevant for several decades. They can be perfect buy-and-forget TFSA holdings, especially if bought at the right time (during a slump). For the two Dividend Aristocrats (Franco-Nevada and CP), this will also result in you locking in a better yield.

CATEGORY

1. Investing

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2. NYSE:CP (Canadian Pacific Railway)
3. NYSE:FNV (Franco-Nevada)
4. TSX:CP (Canadian Pacific Railway)
5. TSX:FNV (Franco-Nevada)
6. TSX:NVEI (Nuvei Corporation)

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Date
2025/07/17
Date Created
2022/01/26
Author
adamothman