TFSA Investors: 3 Top TSX Stocks to Buy in Falling Markets

Description

Canadian markets have dropped nearly 10% in the last three weeks. While the added volatility might have cost some their sleep these days, these markets also bring lucrative opportunities for discerned investors. Here are three TSX stocks that look attractive for the long term.

In the form of a Tax-Free Savings Account (TFSA), Canadian investors have a very valuable tool that facilitates long-term investing. The contribution limit for 2022 is $6,000, and the accumulated limit extends to $81,500.

If you have not contributed to your TFSA so far in 2022, consider these names. The capital gains and dividends generated within the TFSA will be tax-free throughout the holding period.

BCE

Canadian telecom giant **BCE** (TSX:BCE)(NYSE:BCE) is one attractive dividend pick for income-seeking investors. It yields a juicy 5.3% at the moment, which is higher than TSX stocks at large.

Notably, telecom stocks like BCE are less volatile and outperform when broad market uncertainties increase. They grow steadily, even if there is an economic expansion or a recession. Stable demand for their services and the regulated nature of a business make them attractive in uncertain times.

For Q1 2022, BCE reported adjusted earnings of $0.89 per share against $0.78 per share in Q1 2021. It will likely see accelerated earnings and dividend growth in the next few years, as 5G becomes commonplace. With its large subscriber base and a robust liquidity position, BCE looks appealing among peers to play the 5G race.

MEG Energy

Crude oil traded strongly in Q1 2022, benefitting energy producers during the quarter. In Q2 2022, oil is trading even higher and TSX energy companies could see even higher earnings growth. One such

TSX energy stock to consider in the current environment is **MEG Energy** (TSX:MEG).

MEG Energy posted a net income of $362 million in the first quarter. That was a handsome recovery from a loss of $17 million in the same quarter in the comparable period. More importantly, MEG has not hedged its exposure to crude oil. So, it will likely harvest steep profits on the oil's upside thanks to the demand-supply imbalance.

MEG stock has soared 190% since last year and almost 1,000% since its pandemic lows. Despite such a vertical rally, MEG stock still offers handsome growth prospects amid rallying oil and gas prices.

Air Canada

I have been a proponent of **Air Canada** (TSX:AC) stock for a long time. Its leading market share, operational efficiency, and strong balance sheet are some of the plusses relative to peers. It has lost 12% in the last 12 months, marginally outperforming south of the border airline stocks.

While higher jet fuel prices certainly pose a challenge for Air Canada, it will likely be able to pass on the burden to its flyers. Nonetheless, it will not be a rapid reversion to profitability.

Air Canada reported total revenues of $2.6 billion, solid growth of 253% year over year. This marked the highest top-line growth in the last four quarters since the recovery from the pandemic began.

Importantly, rising revenues indicate travel is returning, ultimately helping the airline to lower its cash burn. Thus, Air Canada might return to profitability in the next few quarters, unlocking meaningful shareholder value.

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