3 Top Canadian Stocks Worth Adding to Your TFSA in This Volatile Environment

Description

A Tax-Free Savings Account (TFSA) is an excellent investment vehicle, as it allows investors to earn tax-free returns on a specified amount called contribution room. Meanwhile, the cumulative contribution room grows and declines with the investments.

If the value of the invested stock falls, the investor's contribution room sinks. So, investors should be cautious in this volatile environment. Meanwhile, these three safe stocks can strengthen your TFSA, given their stable cash flows and healthy growth prospects.

Waste Connections

Waste Connections (TSX:WCN)(NYSE:WCN) is a waste management company that collects and disposes of non-hazardous solid wastes. It is also involved in the resource recovery business, which involves recycling and renewable fuel generation. The company operates in secondary or exclusive markets. Along with the essential nature of its business, its long-term collection service arrangements stabilize its financials.

Waste Connections also make strategic acquisitions to strengthen its competitive positioning in specific markets. As it also services exploration and production companies, it could benefit from rising energy demand. This year, it has planned to make capital investments of $850 million, including acquisitions. So, its outlook looks optimistic.

Notably, Waste Connections has been raising its dividends uninterrupted at a CAGR of 15% since 2010. So, I believe Waste Connections would be an excellent defensive bet in this volatile environment.

BCE

Telecommunication service has become an essential entity in this digitally connected world. With the rising digitization and remote working and learning, the demand for fast and reliable internet services is rising. So, I have selected **BCE** (TSX:BCE)(NYSE:BCE), one of the three top telecom players in

Canada, as my second pick.

It has accelerated its capital investments to strengthen its 5G and broadband infrastructure. BCE expects to add 900,000 broadband connections this year while expanding its 5G network to over 80% of the Canadian population by the end of this year. Meanwhile, the company could also benefit from increased roaming revenue amid the easing of travel restrictions. The company's financial position also looks healthy, with its liquidity standing at $2.8 billion.

Further, the company also pays a quarterly dividend of $0.92/share, with its forward yield currently standing at 5.4%. So, considering its growth potential and a healthy dividend yield, I expect BCE to outperform over the next two years.

NorthWest Healthcare Properties REIT

My final pick is **NorthWest Healthcare Properties REIT** (TSX:NWH.UN), which owns and operates highly defensive healthcare properties spread across seven countries. The long-term contracts with tenants, government-backed tenants, and inflation-indexed rent deliver stable and reliable cash flows, irrespective of the economy.

Further, the company strengthened its presence in the United States by acquiring 27 healthcare properties for $765 million in April. These properties are spread across 10 states while enjoying an occupancy rate of 97%, with a weighted average lease expiry of 10.7 years. Further, over the 12 months, the company has created a pipeline of development opportunities worth $2 billion. So, the company's growth prospects look healthy.

Meanwhile, NorthWest Healthcare Properties REIT currently pays a monthly dividend of $0.0667/share, with its forward yield at 6.2%. So, given its stable cash flows and high dividend yield, North West Healthcare would be an excellent addition to your TFSA right now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. NYSE:WCN (Waste Connections)
3. TSX:BCE (BCE Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:WCN (Waste Connections)

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