



2 Top Stocks That Could Turn Your \$6,000 TFSA Investment Into \$25,000

Description

A Tax-Free Savings Account (TFSA) is one of the most popular modes of savings for retirement among Canadians. While technically termed a savings account, residents above 18 can hold multiple instruments, including equities, in a TFSA.

As the name suggests, accountholders are not required to pay any taxes on interest received or capital gains earned on such accounts. According to Canada Revenue Agency, the annual TFSA dollar limit (indexed to inflation) is \$6,000 for 2022. This means that individuals can contribute a maximum of \$6,000 to their TFSA this year.

Holding multi-bagger stocks in your TFSAs can help you maximize your tax-free returns. While the inflationary backdrop makes dollar savings unsuitable, the equity market correction has opened up opportunities to invest in renowned blue-chip stocks at a fraction of their intrinsic value. Investing in such stocks right now could turn your \$6,000 TFSA contribution to \$25,000 soon.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is one of the largest e-commerce platforms and online retailers in Canada. In May 2020, Shopify briefly became the most valuable Canadian publicly traded company, with its [market capitalization](#) crossing \$120 billion.

Despite the deceleration in its top-line growth, Shopify's revenues increased 22% year over year in the fiscal first quarter. In the last two years, Shopify's revenue rose at a compound annual growth rate stands at 60%.

Shopify announced its plans to buy logistics and e-commerce fulfillment company Deliverr last month for US\$2.1 billion. Combining Deliverr's assets and capabilities with the existing Shopify Fulfillment Network should streamline Shopify's logistics and delivery services.

Shopify's board of directors recently approved a 10-for-1 stock split, giving each existing shareholder 10 additional shares for each SHOP stock held. The stock split is scheduled to take effect after the

markets close on June 28.

This means that every shareholder holding one SHOP stock on the record date (June 22) will be allotted 10 newly minted shares on June 28 at no additional cost. Also, the share price of Shopify will fall to approximately one-tenth of its trading value from the next day, June 29. It means Shopify shares, which are currently trading above US\$300, will cost slightly over US\$30 post-stock split.

This puts Shopify in the same boat as tech giants **Microsoft**, **Amazon**, and **Alphabet**, who recently [announced stock splits](#).

Moreover, analysts expect the stock to hit US\$611.21 soon, indicating a 101.36% potential upside.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) provides cloud-based commerce solutions, powering businesses that are the backbone of the global economy. The Montreal-based company's client base includes retail, hospitality, and golf businesses in more than 100 countries.

The recent shift toward in-person shopping and dining has been driving the demand for LSPD's point-of-sale solutions, thereby boosting its operating performance. In the fiscal first quarter ended March, LSPD's merchants' gross transaction volume increased 71% year over year. Also, the company's total revenues increased 78% year over year in Q1.

In order to capitalize on the changing post-pandemic trends, LSPD rolled out Lightspeed Retail, a revolutionary retail commerce platform, in May. This follows the company's Lightspeed Restaurant software launch earlier this year.

Lightspeed's chief financial and operations officer Brandon Nussey said, "As we look ahead, we are committed to our path to profitability and have the growth levers to get us there."

Credit Suisse analyst Timothy Chiodo has given a "Buy" recommendation for LSPD, with a 96.95% potential upside. Mark Palmer of BTIG, who also has a "Buy" recommendation, sees a potential upside of 195.42% from the last closing price. The consensus price target of US\$38.60 indicates 90.04% upside.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

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