



## Now's the Time to Load Up the TFSA With These 2 Top TSX Stocks

### Description

The search for top TSX stocks to put in one's Tax-Free Savings Account (TFSA) is always on. Of course, finding the right stocks to put in one's TFSA is the issue.

As the name suggests, one of the most convenient features of the TFSA is tax-free withdrawals. This means investors can conduct account withdrawals without worrying about any tax implications. Moreover, the capital gains and dividends one earns within a TFSA are also tax free. Accordingly, investors can benefit from the [growth](#) compounding effect in a portfolio without being hit by taxes.

That said, with only a limited amount of capital allowed to be deposited every year into this account, picking investments carefully is the key. Here's why I think **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Constellation Software** ([TSX:CSU](#)) are top picks to be considered — that is, especially after the declines these stocks have seen of late.

### Top TSX stocks: Shopify

Shopify's impressive selloff of late has made this stock a consideration for many investors. Now trading at a discount of nearly 80% from its peak, SHOP stock has felt the pain of the recent Nasdaq decline across most high-growth tech stocks.

This makes sense, considering Shopify's valuation. Investors are less focused on growth these days and more interested in cash flows moving forward.

That said, from a valuation perspective, Shopify is starting to look attractive. This company has positive earnings, trading at a still-high multiple of [250 times](#) earnings. That said, unlike many other growth companies, Shopify's underlying business and growth profile should make this stock more attractive over time.

A shift toward e-commerce is still underway, though many investors have been quick to shun this sector. When things turn around, I think Shopify could be a key beneficiary of capital inflows. Until that happens, it could be choppy waters ahead.

That said, the structural catalysts underpinning Shopify are strong and are likely to remain so for years and decades to come. Thus, this is a company I think is worth considering at these lower levels today.

## Constellation Software

Like Shopify, Constellation Software is another top TSX tech stock that's seen some selling pressure. While Constellation is only down approximately 20% from its peak, this stock is one that investors have done well buying on any previous dip. Taking a look at its long-term chart, this company's performance speaks for itself.

Also trading at a higher multiple relative to the market, Constellation is more of a long-term growth stock many investors already hold in their TFSAs. That said, I think this company is one with the potential to continue to grow at impressive speed over time.

That's because the company's business model of acquiring smaller software companies and integrating them into Constellation's portfolio is a proven one. As far as this business model is concerned, the company is pretty disciplined. Constellation has a significant hurdle rate and has shown success in improving the underlying metrics of its acquisition targets, while acquiring a huge number of companies till date.

Over time, I think both Shopify and Constellation could continue on their growth path higher. While it may not seem like the time to invest, when everyone else is selling, that's usually the time to jump in. For those looking to put some capital to work in their TFSAs, these two top TSX stocks are worth considering — at least, in my view.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)

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