



Got \$6,000? Here's How You Can Power Your TFSA Portfolio in July

Description

The TSFA, or [Tax-Free Savings Account](#), is an account wherein Canadians above 18 years of age can park money without paying any taxes on withdrawals. According to Canadian income tax laws, people can invest up to a maximum of \$6,000 in their TSFA this year.

So, if you invest \$6,000 in stocks through your TSFA, not only is the initial income tax free, but capital gains due to the sale of shares and dividends earned are also exempt from the Canada Revenue Agency.

As the inflationary pressures erode your dollar value, investing in equities through your TSFA can help you multiply your passive income without worrying about tax deductibles. As the stock markets are currently in the oversold territory, investing in fundamentally sound companies can maximize total shareholder returns this July.

Let's take a look at three TSX stocks that could power your TFSA in 2022.

Suncor Energy

Suncor Energy ([TSX:SU](#))(NYS:SU) is one of the [largest integrated energy companies](#) in Canada. The stock has surged 38.4% year to date and outperformed the global benchmark indexes, thanks to rising energy prices.

As the Russia-Ukraine war drags on, Suncor is poised to deliver outsized returns due to surging global crude oil prices. Analysts expect Suncor stock to hit \$46.31 within the next 12 months, indicating a 30.19% upside.

The rising oil prices have benefitted Suncor's profit margins as well. The company reported better-than-expected financials in the first quarter, with revenue beating the consensus estimates by 16%. Adjusted earnings per share amounted to \$1.92, which is higher than the estimated \$1.55.

Due to improved revenues and cash flows, Suncor reduced its net debt by \$278 million and raised its

quarterly dividend by 12% in Q1. Analysts expect the company's revenues and EPS to increase 44.82% and 253.1% year over year in fiscal 2022, respectively.

Barrick Gold

Canadian mining and exploration company **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) has been gaining traction lately, as investors shift from risky equities to relatively safer metal stocks to hedge the risks of inflation and a potential recession. Gold metal prices have surged substantially since the start of this year, driving Barrick Gold shares higher.

While the aggressive interest rate hikes have caused gold prices to correct lately, increased market uncertainty should boost the popularity of the yellow metal in the near term. Bay Street analysts expect Barrick Gold stock to gain more than 52% over the next 12 months to hit \$36.24.

Though Barrick's revenues and adjusted earnings declined year over year in the fiscal first quarter, it surpassed consensus estimates. In addition, strong operating cash flows and stable cash balance allowed the company to raise its quarterly dividends to \$0.20 in May, which is in line with its performance dividend policy announced in February.

Northland Power

Headquartered in Toronto, **Northland Power** ([TSX:NPI](#)) is a clean energy-focused independent power producer operating across four continents. The company is poised to deliver outsized gains, as clean energy gains prominence in the near term.

The stock has gained 2.53% year to date compared to the S&P/TSX 60 index's negative returns in the last six months. The ESG stock is expected to surge more than 16% over the next 12 months, given consensus price target estimates. In addition, the stock pays \$0.95 per share as dividends annually, indicating a forward dividend yield of 3.01%.

NPI's net income increased 90% year over year to \$288 million in the fiscal first quarter ended March. This upward trajectory will likely continue, as analysts expect the company's adjusted earnings to double in fiscal 2022.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:NPI (Northland Power Inc.)
5. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. araghunath
2. kduncombe

Category

1. Energy Stocks
2. Investing

Date

2025/08/20

Date Created

2022/07/05

Author

araghunath

default watermark

default watermark