



3 of the Best Long-Term Canadian Stocks to Buy for Your TFSA Today

Description

The TFSA is an incredible tool that Canadian investors have to save and invest their money, especially due to the significant amount of contribution room we get each year. In order to maximize the power of the TFSA and the ability to save on taxes, though, investors need to find high-quality Canadian stocks that they can buy and hold for years.

When you find a stock that you can own for years and potentially decades, not only can it gain value consistently, but it can help contribute to the massive [compounding](#) gains in your portfolio. In addition, stocks that pay dividends will only allow you to compound your capital even quicker.

And when you can find these high-quality stocks and buy them significantly [undervalued](#), you vastly improve your long-term potential to grow your portfolio.

Therefore, with the market looking attractive for long-term investors looking to buy the dip today, here are three of the best Canadian stocks to consider adding to your TFSA in this market environment.

One of the best defensive growth stocks on the TSX

While many stocks are cheap, and several have lost over 50% of their value in the last 12 months, some are protecting investors' capital much better, such as **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)).

Right now, Brookfield trades roughly 15% off its high. That's nowhere near the best discount you can find today. But with such a high-quality stock like Brookfield, it certainly makes it one of the best Canadian stocks to buy for your TFSA.

Brookfield is an especially attractive investment for Canadians looking to shore up their portfolios. Its high-quality, diversified, and defensive operations allow the company to constantly earn cash flow, which it can use to continue increasing its distribution as well as to fund new acquisitions.

Additionally, Brookfield is one of the few Canadian stocks seeing a positive benefit from rising prices,

as much of its revenue is tied to inflation.

Therefore, if you're looking for some of the best Canadian stocks to buy for your TFSA today, Brookfield is one of the most reliable stocks to consider.

A top core portfolio stock that's sold off significantly

Another excellent long-term stock that, for many investors, is a core portfolio stock is **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)). Much like Brookfield, Nutrien is a high-quality business and its operations are also extremely robust.

However, unlike Brookfield, Nutrien offers investors a significant discount from the highs it reached earlier this year. Currently, the massive, vertically integrated agriculture company is trading over 35% off its high.

The reason the stock was so hot was due to the short-term benefits it was realizing after Russia's invasion of Ukraine and the subsequent sanctions.

But regardless of what happens in the short term, Nutrien has always been an excellent long-term stock to own. It's one of the most dominant companies in an industry that's essential to our economy.

Therefore, with this core portfolio stock now trading at 10 times its trailing 12-month earnings and 6.6 times its trailing 12-month EBITDA, there's no question it's one of the best Canadian stocks to buy for your TFSA.

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Lastly, a stock that has slightly more risk than the other two is **Canadian Tire** ([TSX:CTC.A](#)). Due to its industry and the fact that the products it sells aren't quite as defensive as infrastructure or agriculture, Canadian Tire is certainly a stock that could see more significant impacts over the short term.

However, looking at how it's performed through the pandemic and over the last few quarters, as inflation has picked up, Canadian Tire continues to outperform the market's expectations.

Therefore, while there is some risk with the stock, the fact that it trades so cheaply today makes it one of the best Canadian stocks you can buy for your TFSA.

The company is well on its way to achieving its growth plan and hitting \$26 of earnings per share by 2025. Furthermore, it recently increased its dividend significantly. And after the recent selloff, the stock now offers a yield of roughly 4%.

So, if you're looking to buy the dip while many Canadian stocks trade cheaply, Canadian Tire is certainly one of the best to buy for your TFSA.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:NTR (Nutrien)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:CTC.A (Canadian Tire Corporation, Limited)
5. TSX:NTR (Nutrien)

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