



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

Description

July is coming to a close, with the **TSX** going through yet another month of drops. Shares are down 7% year-to-date, and 16% since the fall started at the end of March. But if you're sitting on \$6,000 waiting around to invest in your Tax-Free Savings Account (TFSA), I wouldn't wait another moment longer.

Yes, more drops could come

In fact, more drops look [pretty likely](#). The Bank of Canada increased interest rates by a whopping 100 basis points recently. On top of that, the Federal Reserve also stated it will continue increasing interest rates to battle inflation. This means more money out of pocket, not just for you but also for businesses. Businesses that will report earnings that are likely to not be as impressive as once hoped.

But does that mean you shouldn't invest in your TFSA? Absolutely not. In fact, the reverse should be true. If you've been waiting around for some of your favourite TSX stocks to go on sale, now is the time to buy! If you've chosen wisely, it means you've picked blue-chip companies or at the very least strong companies that have a stellar history of growth, and good growth prospects in the future. So it's time to consider buying them up before these deals are gone.

What to watch

So let's say you've decided to allocate that \$6,000 to start investing in your TFSA again. You may have a watchlist, but perhaps it's filled with those growth stocks that spurned you recently. It's time to perhaps start from scratch and look for some growth opportunities for the long term.

And I do mean long term. It's been proven time and again that investing in strong companies for decades will practically *always* give you more in returns than investing in growth stocks for a short period of time. *Even* if that growth stock you invested tons of cash in doubles or triples. In the long run, you want companies that have proven growth. Growth you can count on and invest in for decades.

So in this case, you want to watch for companies that belong in your TFSA for 10, 20 or even 30 years.

That would mean companies that have been *around* for that period of time. Not only that, they should have steady balance sheets and be able to dish out dividends thanks to stable cash flow.

Some options for your TFSA

Fortunately, there are a few options that would do well in a TFSA for decades. First up, I'd look at the [Big Six Banks](#). These banks have done well through recessions, stagflation, wars, you name it over the last 100 years. A great consideration then would be **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)).

The company is going through an expansion in the United States, and offers stellar growth and dividends. It trades at just 6.77 times earnings, with a dividend yield of 4.59%. Over the last 20 years, shares have grown an incredible 712%! That's a compound annual growth rate (CAGR) of 11.03% as of writing.

Another great industry is utilities. These companies produce energy no matter what is going on in the world, and have the revenue growth to prove it. One consideration would be **Canadian Utilities** ([TSX:CU](#)), the *only* Dividend King on the TSX today. It's perfect for your TFSA if you're looking for safety, growth, and high dividends set to grow year after year.

Canadian Utilities is also a strong defensive play. The stock is actually up on the TSX today by 11.5%. You can therefore lock in a 4.41% dividend yield and look forward to that dividend growth and, if past performance continues, shares rising higher and higher. How high? Over the last 20 years shares are up 474% for a CAGR of 9.12%.

CATEGORY

1. Dividend Stocks
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2. TSX:BMO (Bank Of Montreal)
3. TSX:CU (Canadian Utilities Limited)

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Date

2025/09/21

Date Created

2022/07/26

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