



3 Top Canadian Stocks to Add to Your TFSA Amid Rising Volatility

Description

The Canadian government initiated a [Tax-Free Saving Account](#) (TFSA) in 2009 to prompt its citizens to save more. It allows Canadian citizens above 18 years to earn tax-free returns on a specified amount called contribution room. This year's contribution room is \$6,000, while the cumulative amount stands at \$81,500.

Meanwhile, the cumulative contribution room can increase or decrease with the performance of your portfolio. If the values of stocks in your account increase, your contribution increases, and vice versa. So, investors should be careful while investing through TFSA. Given the volatile environment, here are my three top bets.

Waste Connections

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#)) is a waste management company that collects, transfers, and disposes of non-hazardous solid wastes. Given the essential nature of its business, the company's financials are less susceptible to the state of the economy. Supported by its price hikes and volume growth due to improvement in economic activities and strategic acquisitions, the company's management expects a 12% growth in its revenue and adjusted earnings before interest, tax, depreciation, and amortization (EBITDA) this year.

The management hopes to expand its EBITDA margin by 20 basis points to 31.2%. It could generate adjusted free cash flows of around \$1.15 billion in 2022, representing year-over-year growth of 14%. In the first quarter, it completed several acquisitions, which could contribute \$125-\$150 million of revenue annually.

Waste Connections also services exploration and production companies. So, the rising energy demand could increase the demand for its services, thus driving its financials. Its acquisition pipeline looks robust. Considering these factors, I believe the company's growth prospects look healthy. Meanwhile, it has rewarded its shareholders by raising its dividend at a compounded annual growth rate (CAGR) of 15% since 2010. So, given its stable financials and healthy growth prospects, I believe Waste

Connections is an excellent addition to your TFSA in this volatile environment.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) provides electricity and natural gas to 3.4 million customers across North America. Given its regulated asset base and low-risk utility business, the company delivers stable and predictable financials. It has rewarded its shareholders by delivering an average annual total shareholders return of 12% for the last 20 years.

Meanwhile, Fortis has announced a capital-investment program of \$20 billion, which will span from 2022 to 2026. These investments could grow its rate base by \$10 billion to \$40.1 billion at a CAGR of 6%. Along with these investments, favourable price revisions and strong underlying businesses could drive its financials in the coming years. So, given its healthy growth prospects, the company's management expects to raise its dividend at a CAGR of 6% through 2025.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) owns and operates a portfolio of 229 healthcare properties across eight countries. Given its highly defensive healthcare portfolio, long-term contracts, and government-backed tenants, the company enjoys a higher occupancy and collection rate, thus delivering stable cash flows.

Meanwhile, the company recently ventured into the United States by acquiring 27 healthcare properties for \$765 million. Besides, it continues to expand its footprint in high-growth markets, such as the United Kingdom, Australia, and Canada. Notably, around 80% of the company's rent collection is inflation-indexed, which is encouraging.

Supported by these solid cash flows, NorthWest Healthcare pays a monthly dividend of \$0.06667/share, with its yield for the next 12 months standing at 6.22%. An investment of \$100 in the company at Tuesday's closing price can deliver annual returns of \$6.22 in dividends alone. So, NorthWest Healthcare could not only strengthen your portfolios but also boost your passive income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:WCN (Waste Connections)
3. TSX:FTS (Fortis Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:WCN (Waste Connections)

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