



TFSA Investors: 5 Safe Stocks to Buy in August

Description

The market continues to be a [volatile place](#) for investors — especially those seeking out opportunities for their Tax-Free Savings Accounts (TFSAs). What should be a place of safety for your future investments hasn't felt that way for months now.

However, TFSA investors can still find [safe stocks](#) on the **TSX** today. In fact, this August could be a great time to consider investing. Interest rate rises may start to slow down if we see that in July inflation was lower. And that looks likely, given that a main driver of inflation was rising gas prices. With West Texas Intermediate crude oil now down to \$98 per barrel from about \$130 in June, we could now be seeing a recovery in some safe stocks.

But which, pray tell, are safe?

Think long term

Investors looking at the TSX today shouldn't be thinking about daily performance. Heck, they shouldn't be thinking about monthly performance! Instead, they should be looking at how well a company has done in the past, whether it's set up for the future, and whether it trades at valuable fundamentals.

All this information is quite easy to find online, but here is what you should look for in particular: a company should have decades of growth behind it if you want safe stocks. This means it likely has cash on hand to support itself, even during downturns, thanks to decades of investing in the company.

You'll also want to see what its plans for growth are in the future. Is it in an industry that could support a transition to renewable energy? Does it provide a commodity that we need no matter what? Or is it in an industry that will be around pretty much until humans go the way of the dinosaurs?

As for fundamentals, there are a few things to look at. I always like looking at the price-to-earnings ratio, as this gives you an idea of how much the company is worth compared to what it trades for. Then there's what the company has on its balance sheet compared to its share price or its book value. Finally, funds from operations are great to look at if you want to make sure a company can continue to

support dividend growth.

Stocks that offer it all

Here are some safe stocks I'd consider right now if you want this kind of growth. Real estate is a great industry to get in, and two I'd suggest are **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) and **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)).

Both of these safe stocks have properties all around the world, with a diverse set of properties within the renewable and healthcare industry respectively. Brookfield, however, is likely the safer option, because it has decades of growth behind it. NorthWest does not. But both these stocks trade at valuable fundamentals and are in stable industries that will continue to see growth in the years to come. Brookfield is up 8.6% year to date, and NorthWest down just 3.5%.

Some other companies I would consider are **Canadian Utilities** ([TSX:CU](#)) and **Great-West Lifeco** ([TSX:GWO](#)). Canadian Utilities is the only Dividend King on the TSX today. That means you have 50 years of consecutive dividend growth to look back on. Great-West is in the insurance industry — something that will be around no matter what. Both have been around for decades, with Canadian Utilities up 15% year to date, and Great West down 16%.

Finally, safe stocks should always include a Big Six bank, and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is a great option right now. BMO has been around for over 200 years. That's perhaps dozens of recessions that it's managed to get through, with provisions for loan losses even today. But it's also been expanding, offering an opportunity on the TSX today — especially with shares down 4.6% year to date trading at 7.01 times earnings.

Bottom line

The thing here is that while some of these safe stocks are down now, they're still safe stocks. Look back years before and each has come along quite nicely, offering double-digit annual growth in some cases. Furthermore, each offer dividends to help you even while you go through a downturn. So, they're certainly the ones I'd consider on the TSX today.

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
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3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:BMO (Bank Of Montreal)
5. TSX:CU (Canadian Utilities Limited)
6. TSX:GWO (Great-West Lifeco Inc.)
7. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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