



3 TSX Stocks That Are Great Long-Term Picks

Description

The investing season is gathering momentum for value investors and future thinkers. You can't generate wealth by investing in the present. In the same way you don't pick grapes today for a wine fest tomorrow. Wine needs time and the right environment to brew. The older the wine, the higher price it fetches. Similar is the case with stocks. Good stocks picked at the right time and maturing in a Tax-Free Savings Account ([TFSA](#)) generate rich tax-free returns.

October is ripe to pick a few TSX stocks

The current market environment has put a few automotive and [tech stocks](#) in a tough spot that could harm their short-term earnings. But these hurdles will not impact their long-term growth or competitive advantage. All you have to do is buy and forget. After five to seven years, you will see your portfolio multiply several-fold.

Magna stock

The stock of **Magna International** ([TSX:MG](#))([NYSE:MGA](#)), the global automotive component supplier, is in a free fall. The company was bracing for the EV comeback after the pandemic, partnering with 24 of the top 25 electric vehicles (EV) makers. But the lockdowns created a shortage of automotive chips. To add to [the troubles](#), rising interest rates and inflation have shifted consumer demand towards necessity spending.

Since Magna supplies components for light vehicles, slowing automotive sales are reducing its revenue. Moreover, sanctions on Russia forced Magna to idle its Russian operations, and the energy shortage in Germany is further frustrating supply issues. All these factors have negatively impacted Magna's revenue and earnings, pulling the stock down 37% and wiping away three years of gains.

But the EV revolution is coming. Governments worldwide support the adoption of electric vehicles, presenting a long-term opportunity as EVs replace existing gasoline vehicles. When EV growth returns in three or five years, Magna will fire all cylinders. The growth spurt could double or triple your money

in two to three years.

Nvidia

Your TFSA allows you to invest in U.S. stocks as well. One of the hottest stocks on Nasdaq is **Nvidia** ([NASDAQ:NVDA](#)), which has lost 58% of its value year to date on short-term headwinds. Nvidia makes the most advanced graphics processing units (GPU). These smart chips are changing the world of gaming, artificial intelligence (AI), and visualization. Its GPUs power 70% of the world's supercomputers, and are used in laptops, PCs, and servers.

But Nvidia's growth took a temporary setback as the U.S. imposed restrictions on the export of AI chips to China, one of Nvidia's largest markets. Moreover, the crypto bubble burst has filled the market with second-hand GPUs. With companies preparing for a recession, PC buying has slowed reducing Nvidia's second-quarter revenue by US\$1.5 billion. The export restrictions on China could wipe away another US\$400 million in third-quarter revenue.

But none of these headwinds impact Nvidia's ability to power the next-gen AI and autonomous cars. The stock witnessed a similar situation in the 2018 United States-China trade war (down 45%) and bounced back 300% in two years.

The current headwinds will take time to subside. Now is the time to buy and hold the stock because the next growth spurt could triple your money in two years.

Hive stock

Hive Blockchain Technologies ([TSXV:HIVE](#))(NASDAQ:HVBT) is a crypto mining company with a significant inventory of **Bitcoin** and **Ethereum**. While crypto faces criticism, it is a trend that is here to stay. Blockchain technology is shaping the future of the payments industry. Hive's GPU-powered data centers have the capacity to perform computing-intensive work. The digital miner is currently using data centres to mine Bitcoin and Ethereum, which gives it an advantage in the crypto boom.

Hive is also exploring other blockchain applications to diversify its revenue. The company is well-placed to tap the crypto and blockchain revolution. The stock has lost 70% value, but this is the time to buy and hold. The next crypto bubble could push the stock price up 800-1,000% in two to three months. This growth spurt would be your exit point.

Investing tip

If you're looking for stocks to grow over the long term in your TFSA, add these stocks to your portfolio if you aim to generate wealth.

CATEGORY

1. Cryptocurrency
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:HIVE (Hive Digital Technologies)
2. NASDAQ:NVDA (NVIDIA Corporation)
3. NYSE:MGA (Magna International Inc.)
4. TSX:MG (Magna International Inc.)
5. TSXV:HIVE (Hive Blockchain Technologies)

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