2 Stocks to Help Grow Your TFSA in a Recession

Description

Undoubtedly, markets have already had ample time (stocks have dragged for 11 months now!) to price in a recession, the severity of which remains unknown. While a severe recession could bring forth more downside in the TSX Index, I'd argue that long-term investors should continue to scoop up stocks that will keep moving onward, regardless of how much worse the consumer can get!

When it comes to your TFSA (Tax-Free Savings Account), don't make rash decisions based on fear or greed. While fear has been the main emotion on Wall and Bay Street this year, we've had some pretty sudden upticks in greed in the form of short-lived bear market rallies. Many bottom chasers have been fooled (that's a lower-case *f*), but for how long remains the million-dollar question.

Consider shares of **Jamieson Wellness** (TSX:JWEL) and **Alimentation Couche-Tard** (TSX:ATD), two earnings growth firms that can (and probably will) end 2023 higher, regardless of what type of landing the market is in for!

Jamieson Wellness

Jamieson is a vitamin and supplement maker that's been around for more than 100 years. It's a proud Canadian brand that has quite a lot of brand affinity, in my opinion. Undoubtedly, vitamins are commodities. But when it comes to health, it's clear that brands do matter in the space. Jamieson's green caps are unmistakable. With top-notch quality control practices, the firm can command a premium price versus the generics.

As the firm embarks on a global expansion, I'd look for Jamieson to innovate in the supplements space. Jamieson's protein offerings have been intriguing and could act as a launch pad for the firm, as it looks to power its earnings higher through rough waters.

The stock is down 23% from its 2020 all-time high just north of $40 per share. After fluctuating wildlyfor two years in a $33-40 consolidation channel, I think shares are poised for a technical bounce atsome point over the next 18 months. Given the defensive nature of the industry, I'd bet such a bouncecould come as soon as 2023.

Alimentation Couche-Tard

Couche-Tard is one of my favourite Canadian companies, because of its easy-to-understand business model and its superb managers. The company owns and operates convenience stores across the globe. Over the years, the firm has found the perfect mix of organic and inorganic (via acquisitions) growth. Unlike many other merger-and-acquisitions-focused growth firms, Couche-Tard shifts gears when it sees the opportunity to maximize shareholder value over the long run. At any given time, there are a ton of takeover targets in the global convenience store market.

Couche-Tard is very much a global play, and its ear is open to any potential deals as it looks to consolidate a fragmented industry ahead of the rise of EVs (electric vehicles). Of late, Couche-Tard has been sitting on its cash pile, waiting for a deal it can't refuse. In due time, I think Couche-Tard will act, and when it does, investors could pile into the stock, as most announced deals tend to be positive catalysts for shares.

Recession or not, Couche-Tard is ready to move higher from here. The stock is dirt cheap at 16.9 times trailing price to earnings, given its recession-resilient growth.

CATEGORY

1. Investing

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2. TSX:JWEL (Jamieson Wellness Inc.)

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Author
joefrenette