



TFSA Investors: Park These 2 TSX Stocks Before They Soar

Description

Every passing week has been filled with uncertainty on the stock market this year. As we inch ever closer to 2023, the Canadian benchmark index continues to indicate signs of weakness. As of this writing, the **S&P/TSX Composite Index** is down by 10.5% from its 52-week high.

Investing in the stock market seems like a risky affair, no matter where you look. However, with all the panic these downturns cause, opportunistic investors can find ways to make things work to their advantage.

The pullback caused by market volatility tends to impact most stocks across the board. The sell-off frenzy can even lead to high-quality and well-established stocks entering oversold territory.

With a global economic recession likely closing in, it might seem tough to put your money to work in the market right now. However, investing in the right [undervalued stock](#) on such occasions can set you up for substantial long-term gains.

If you have contribution room available in your Tax-Free Savings Account (TFSA), you have options if looking for assets you can buy and hold in your self-directed portfolio. Here are two mid-cap Canadian stocks you can consider investing in.

Park Lawn

Park Lawn Corp. ([TSX:PLC](#)) is a \$875.9 million market capitalization Canadian death-care company that provides funeral-related goods and services to clients in Canada and the US.

The company owns and operates a growing portfolio of funeral homes, crematoriums, cemeteries, and funeral services businesses. True, death care might not be the most exciting industry, but it is essential, and Park Lawn stock is a leading provider of these services.

Park Lawn is consolidating this highly fragmented industry, completing acquisition deals amid the downturn. While a contrarian move, the strategy has the potential to deliver solid long-term results for

the company and its investors.

The funeral solutions provider has a strong balance sheet and wide economic moat to weather the current downturn. As of this writing, Park Lawn stock trades for \$25.61 per share, down by 38.7% year to date. PLC stock trades at a 25.9 trailing price-to-earnings ratio, which could be an attractive investment for the right investor.

Quebecor

Quebecor Inc. ([TSX:QBR.B](#)) is a \$6.3 billion market capitalization Canadian telecom company. Montreal-based Quebecor may not be as well-established as the three dominant players in the Canadian telecommunications space. And thus, it might not be at the forefront of stock wish lists. Still, it is a stock not to ignore if you are willing to back underdogs with a long investment horizon.

The world's largest commercial printer might need to invest billions into its infrastructure to catch up with the three big telecoms in the country. However, investing at current levels in the company can provide you with exposure to growth much faster than the Big Three. It has been making the news recently after entering the race to acquire Freedom Mobile's assets, a move that can set it up to push and expand out of its regional market.

As of this writing, Quebecor stock trades for \$27.11 per share. It is down by 4.2% year to date and trades at a 10.7 trailing price-to-earnings ratio. It can be a good addition to your portfolio if you plan on buying and holding long-term.

Foolish takeaway

A word of warning before you invest in any stock right now. The market is incredibly volatile. With the possibility of a full-blown recession on the way, putting your money to work for you in the stock market carries a significant amount of risk.

Suppose you have some contribution room available in your [TFSA](#). It is always better to focus on allocating it to more defensive assets that can mitigate your risk exposure.

Provided you have a well-balanced portfolio, you can consider delving into riskier assets that have the potential to deliver stellar long-term returns. To this end, Quebecor stock and Park Lawn stock can be good investments to keep in your TFSA for long-term and tax-free gains.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:PLC (Park Lawn Corporation)
2. TSX:QBR.B (Quebecor Inc.)

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Author

adamothonman

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