



## 3 Top Canadian Stocks to Add to Your TFSA

### Description

Yesterday, the U.S. Labor Department announced that the seasonally adjusted jobless claims stood at 216,000 for the week that ended on December 17. It was better than analysts' projections of 222,000. Investors fear the tighter labour market could allow the Federal Reserve to continue its monetary tightening initiatives, thus dragging the equity markets down. Since the beginning of this month, the **S&P/TSX Composite index** has fallen by 5.4%.

So, given the volatility in the equity markets, investors should be careful while investing through their [TFSA](#) (Tax-Free Savings Account). The decline in stock value could lower your withdrawals and, in turn, bring your contribution room down. So, here are three stable TSX stocks worth adding to your account in this volatile environment.

### Cargojet

**Cargojet** ([TSX:CJT](#)) offers time-sensitive air cargo service to prominent Canadian cities and abroad through a fleet of 38 aircraft. Despite the challenging environment, the company drove its financials, with its revenue growing by 36.5% in the first three quarters of this year. Its adjusted EPS (earnings per share) increased 56.7% during the same period.

Meanwhile, I expect the uptrend to continue, despite the uncertain outlook. The demand for air cargo services could outpace the global freighter fleet growth in the coming years, thus benefiting Cargojet. The company is also expanding its aircraft fleet and adding new routes amid rising demand. Its competitive advantage with a unique overnight delivery service, strategic partnerships, and long-term agreements stabilize its financials.

However, Cargojet has been under pressure this year, losing around 29% of its stock value. The pullback has dragged its valuation down, with the company trading at 16.6 times its next four quarters' projected earnings. So, I believe Cargojet is an excellent addition to your TFSA.

## Waste Connections

Supported by the essential nature of its business and strategic acquisitions, **Waste Connections** ([TSX:WCN](#)) has delivered positive total shareholders' returns for the last 18 years. Even this year, the company is trading 5.4% higher while the S&P/TSX Composite index is down 8.8%. Also, the company has rewarded its shareholders by raising its [dividend](#) at an annualized rate of over 15% since 2010.

With the growing exploration and production activities amid the ongoing geopolitical tensions, the company's revenue from the segment could remain elevated in the near to medium term. The company's strategic acquisitions and higher prices could drive its financials in the coming quarters. The company's management projects a double-digit revenue growth for 2023. So, given its solid underlying business, healthy growth prospects, and high dividend growth, I am bullish on Waste Connections.

## Telus

As my final pick, I am choosing **TELUS** ([TSX:T](#)), one of the three top telecom players. The demand for fast and reliable internet services is rising amid digitization, thus expanding the addressable market for the company. Meanwhile, supported by its accelerated capital investment, the company is expanding its 5G and broadband connectivity. It also enjoys a low churn rate.

Besides, Telus's tech-oriented segments, TELUS Health and TELUS Agriculture & Consumer Goods, are growing at an impressive rate. In September, the company acquired LifeWorks for \$2.3 billion, strengthening its footprint in the global digital healthcare sector. So, its growth prospects look healthy. Further, the company has rewarded its shareholders by raising its dividends 23 times since 2011. Its dividend yield for the next 12 months stands at 5.26%.

Telus's management expects to maintain its dividend-growth program until 2025. Its financial position also looks healthy, with its liquidity at \$3.4 billion as of September 30. So, considering all these factors, I believe Telus is an excellent, defensive bet in this volatile environment.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:T (TELUS)
3. TSX:WCN (Waste Connections)

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rnanjapla

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