



## TFSA Investors: 3 TSX Stocks to Outperform the Market

### Description

As we near the halfway mark of the first month of 2023, it is safe to say that it will be yet another year of mixed expectations for Canadian investors. 2022 saw all kinds of volatility plague the market. Between the inflationary environment and rising interest rates, fears of a recession were high, and the momentum has carried forward to the new year.

The start of another year of stock market investing also came with more contribution room being announced for [Tax-Free Savings Accounts](#) (TFSAs). With \$6,500 in additional room, it might be a good time to assess your options and make your picks. Today, I will discuss three TSX stocks that could outperform the broader market if volatility and uncertainty continue.

### Barrick Gold

[Gold stocks](#) like **Barrick Gold** ([TSX:ABX](#)) can be an excellent way to gain exposure to gold. One of the largest gold miners, this Toronto-based \$44.71 billion market capitalization company can be an excellent way for investors to profit off rising gold prices while earning dividends as they wait.

As of this writing, Barrick Gold stock trades for \$25.41 per share, up by 41.32% from its November 2022 low. The surge indicates rising recessionary fears from investors, and if the broader downturn persists, Barrick Gold stock prices can rally further.

You must be careful with how much you allocate to the gold stock, because the rare yellow metal tends to move in the opposite direction to the rest of the market. If the economy begins growing, Barrick Gold's share price might decline.

**goeasy**

**goeasy** ([TSX:GSY](#)) can be an excellent pick for investors in the current economic situation. The \$1.83 billion market capitalization company based in Mississauga is a sub-prime lender offering loans to borrowers who cannot qualify for high-quality loans from traditional lenders.

The company offers short-term loans at higher interest rates to people facing cash crunches due to inflation. The environment is ripe for a growing demand for such loans, and goeasy stock has seen that surge happen.

Its third quarter for the previous fiscal year saw an almost 50% growth in its loan origination. Tightening lending practices from traditional lenders favor sub-prime lenders like goeasy stock, and it can be well-positioned to see further boosts to its business this year. As of this writing, goeasy stock trades for \$111.27 per share, up by 8.12% from its December 2022 level.

## Dollarama

**Dollarama** ([TSX:DOL](#)) is another excellent pick for investors seeking stocks that can outperform the broader market in a turbulent environment.

An all-weather Canadian stock, Dollarama outperformed the market weakness last year and can continue to do the same this year. The \$23.53 billion market capitalization dollar-store retail chain headquartered in Montreal thrives in harsh market environments due to its business model.

By offering essential items for \$5 or less, Dollarama sees business grow during inflationary and high-interest-rate environments. Consumers look for affordability during cash crunches, and Dollarama offers them the perfect solution.

As of this writing, Dollarama stock trades for \$81.93 per share, up by 32.57% from 12 months ago. With stable earnings growth, margin stability in all business cycles, and a management aiming for constant topline growth, it can be an excellent addition to your TFSA.

## Foolish takeaway

When using the contribution room available in a TFSA, it is a good idea to diversify and spread money across stocks with the potential to outperform the market by reacting differently to news.

Stock market investing is inherently risky, and 2023 seems uncertain right now. It is the season to buy the dip, and these three stocks can be good additions to your portfolio for tax-free returns based on how things begin to shape up this year.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)

2. TSX:DOL (Dollarama Inc.)
3. TSX:GSY (goeasy Ltd.)

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#### **PP NOTIFY USER**

1. adamothonman
2. kduncombe

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#### **Author**

adamothonman

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