TFSA Investors: 3 Stocks to Buy for 2023

Description

Like each new year, 2023 may bring Canadian investors unique investment opportunities. Some of these may have been brewing for the past several years, while others may be a continuation of existing positive trends that most conservative investors lean towards.

Identifying and leveraging these opportunities and learning how to pick stocks that can help you take advantage of a specific positive trend should be your goal for the year (at least one of them).

Trend #1: A more connected world

The Internet of Things (IoT) is gaining momentum, and 29 billion IoT devices are expected to come online by 2030. This may give a significant boost to the telecom business, as well as other companies that offer connectivity solutions. **Telesat** (TSX:TSAT) is one such company. It's a satellite company that provides a wide range of connectivity solutions, which it may expand to include some IoT-specific solutions.

It's a long shot in the current market, and Telesat stock is heavily discounted. It has fallen over 56% in the last 12 months alone, and the decline from its price at its inception is more significant. If it starts riding the momentum generated by IoT or other connectivity needs for businesses from various industries that it can cater to, the stock may finally begin to rise at a powerful pace.

Trend #2: U.S. marijuana legalization

There is a probability that the U.S. federal government will legalize marijuana for recreational use. This decision can have a powerful impact on Canadian cannabis companies like **Canopy Growth** (TSX:WEED) that have adequate exposure to the U.S. market. The stock is currently trading at a 92% discount from its 2021 peak.

At its current price, the stock can offer you 10-fold growth by reaching $40 a share, which is lower than its 2021 peak ($54.7 per share). The optimism generated by U.S. marijuana legalization (which may result in a spike) or a strong jump in the revenues and profits from the U.S. market (which may trigger a steady growth pattern) can easily push the stock up quite a bit.

To maximize the benefits generated from this stock, you may consider buying it at or near its lowest price point in 2023.

Trend #3: Steady growth

You can also leverage a long-term trend by purchasing stocks of a company with a long history of steady growth. **Clairvest Group** (TSX:CVG) is a great candidate from this investment perspective. It has offered 243% growth in the last decade from price appreciation alone, and the total returns (inclusive of dividends) are even more attractive.

Another reason to consider this stock is its valuation. The price-to-earnings ratio is just 3.5, and the price-to-book ratio is 0.9, making it a comfortably undervalued stock. As a private equity firm, Clairvest has a diverse portfolio of companies from various industries and countries, though most are from Canada and the U.S.

Foolish takeaway

The three companies can be a creditable addition to your TFSA portfolio. Clairvest is an amazing long-term candidate for growth, while the other two may offer exceptional returns when the market is right. You can exit your positions if you anticipate a decline or a long period of stale price following the upward trend.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CVG (Clairvest Group Inc.)
2. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. adamothman
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/06/27
Date Created
2023/02/08
Author
adamothman