TFSA Investors: 3 TSX Stocks to Outperform the Market

Description

The **TSX** today continues to show some signs of improvement, but is still down compared to all-time highs. As of writing, the TSX is down 3% in the last year. Now, this is a huge improvement after falling to 52-week lows in October 2022. However, Tax-Free Savings Account (TFSA) investors are most likely sick of seeing these losses.

So let's fix that. Today, we'll look at three TSX stocks TFSA investors can buy up to outperform the market. And not just in 2023, but far beyond.

CP stock

Canadian Pacific Railway (TSX:CP) looks like it hit the three-digit range and it's now here to stay. The company was up and down for a while there as TFSA investors waited to see if its Kansas City Southern acquisition would pull through. Now, it looks like all but a certainty with CP expecting approval to come "within a matter of weeks."

That will be huge for TFSA investors. The company is in a strong financial position, which helped lead it to the massive acquisition. And that acquisition will pay huge rewards, and already has for investors who picked up the stock. It's now one of the rising TSX stocks, up 17.5% in the last year alone!

While it's not the dividend payer it once was because of the acquisition, those looking for growth through returns should definitely consider the stock – especially TFSA investors looking to make back some of their losses from the last few years.

Northland Power

Another strong choice for TFSA investors among TSX stocks is **Northland Power** (TSX:NPI). Northland stock has a few things going for it. The company is a monthly dividend payer, with a yield at 3.52% as of writing. Further, it's in the renewable energy sector.

This last point is important, as the company has created a massive portfolio of renewable energy assets in locations around the world. The diverse portfolio means no matter what type of renewable energy future lies ahead, Northland stock has access to it.

Yet right now, Northland stock offers incredible value. After climbing to 52-week highs in August, shares have dropped down. Except those shares have still beat out the market, back to where they were in February 2022. Trading at 12.2 times earnings, I would pick up the stock while you can, as the drop is due to short-term issues of inflation. Something every company is hampering with right now.

Restaurant Brands

Finally, if you want a crazy growth stock, then I would consider **Restaurant Brands** (TSX:QSR). RBI stock is a strong choice among TFSA investors who are looking for TSX stocks on the move. Shares are already up 33% in the last year alone, with an incredible amount of momentum surging it upwards.

In fact, during this year shares should continue to grow. It comes down to a recession. RBI stock may have crashed during the pandemic, but it created the opportunity to get its product to consumers any way possible. Now, those consumers are likely to continue purchasing even during a recession, given it's a cheaper way to eat out compared to the pricier options chosen during periods of growth.

So TFSA investors should look to TSX stocks like this one, which offers protection during a recession and growth, as well as a 3.26% dividend yield as of writing.

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1. TSX:CP (Canadian Pacific Railway)
2. TSX:NPI (Northland Power Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)

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alegatewolfe