



TFSA: 3 AI Growth Stocks for Your \$6,500 Contribution

Description

Last year, the Canadian government announced that the annual contribution in the [Tax-Free Savings Account \(TFSA\)](#) would increase to \$6,500. That is up from the \$6,000 annual TFSA contribution that stretched from 2019 through to 2022. Today, I want to focus on three [growth stocks](#) that offer exposure to the [artificial intelligence](#) (AI) space. These equities are worth targeting with your \$6,500 contribution in 2023.

Why you should target AI growth stocks in your TFSA

Advancements in AI have stolen headlines in recent weeks. The most notable leap forward has been the launch of ChatGPT, a chatbot developed by OpenAI, which debuted in November 2022. This advanced chatbot has proven adept at producing complex written work across many fields.

Precedence Research recently estimated that the global AI market was worth US\$119 billion in 2022. The market researcher projects that the market will grow to US\$1.59 trillion by 2030. That would represent an impressive compound annual growth rate (CAGR) of 38% over the forecast period.

Here's an AI stock that you shouldn't count out in the 2020s

Shopify ([TSX:SHOP](#)) is the first growth stock I'd target for our TFSA today. This Ottawa-based company provides a commerce platform and services in Canada, the United States, and around the world.

Shares of this growth stock have plunged 41% year over year as of close on February 9. However, Shopify stock has [surged 37%](#) in the new year. This tech stock gave up its huge gains in late 2021 and its bad stretch persisted in 2022, as readers can see by the interactive price chart below.

This company has utilized AI development to power the applications that help its e-commerce merchants. Some of these apps include dialogue AI personalization, SEO King, and AdScale, an AI-powered advertising solution. Shopify remains an attractive target for your TFSA contribution in the first

half of February.

This growth stock belongs in your TFSA in 2023

Kinaxis ([TSX:KXS](#)) is another Ottawa-based company that provides cloud-based subscription software for supply chain operations in Canada, the United States, and around the world. This company has attracted top global clients like **Toyota Motors**, **Unilever**, **Ford**, and others with its exciting RapidResponse software. AI development has been key in bolstering its product.

Investors can expect to see this company's final batch of fiscal 2022 earnings by early March. In the third quarter of 2022, Kinaxis delivered total revenue growth of 39% to \$89.4 million. Meanwhile, gross profit has climbed 29% to \$55.1 million. This company has combined human and AI to offer control of the digital supply chain. For example, machine learning and always-on analytics can greatly improve the efficiency of a supply chain for a top Kinaxis client.

One more AI growth stock to snatch up today

ATS ([TSX:ATS](#)) is the third growth stock I'd look to snatch up in our TFSA today. This Cambridge-based company provides automation solutions to a worldwide customer base. Shares of ATS have climbed 21% in 2023 as of close on February 9.

This company unveiled its third-quarter fiscal 2023 earnings on February 9. ATS delivered revenue growth of 18% to \$647 million. Meanwhile, Order Bookings increased 45% to \$979 million. Moreover, its Order Backlog jumped 45% to \$2.14 billion. ATS is on track for strong earnings growth going forward and offers solid value compared to its industry peers.

CATEGORY

1. Investing

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3. TSX:SHOP (Shopify Inc.)

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aocallaghan

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