Tax-Loss Selling:

7 Christmas Stocks That Could Give You Huge Gains in the New Year

TSI Network

FREE REPORT

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What is tax-loss selling?

Tax-loss selling (or tax-loss harvesting) is a strategy investors use to lower their capital gains tax. When investors take part in tax-loss selling, they sell a security at a loss in order to offset capital gains. These losses can then be deducted against taxable capital gains in the current tax year.

For example, December 30 is the 2025 deadline for tax-loss selling on the Toronto Stock Exchange. If you sell at a loss on or before that date, you get to deduct your loss against your 2024 capital gains tax liabilities.

If you still have capital losses left over, you can carry them back up to three years (2024, 2023 and 2022), or forward indefinitely to offset future capital gains.

Tax-loss selling can create great bargains in high-quality stocks

In the final couple of months of the year, some investors dump stocks impulsively, in an unthinking attempt to cut their taxes. In some cases, they simply want to sell and be done with it. In others, they intend to buy back the stock after 30 days. (That's because, under the "superficial loss rule," you cannot deduct your loss if you buy back any sooner.)

The lure of cutting taxes can spur investors to make costly mistakes. Often, they'll dump high-quality stocks that are near the end of a downturn and are set to move back up early in the New Year.

As a result of this impulsive tax-loss selling, stocks that have been weak tend to stay weak in the final month or two of the year. But the best of the bunch can put on extraordinary recoveries when tax-loss selling season ends.

On the following pages, you'll find our top 7 "tax-loss-selling buys." They're stocks we think you should be buying now where they fit into your overall portfolios, rather than selling them.

THOMSON REUTERS CORP. $186.60 (Toronto symbol TRI; TSINetwork Rating: Above Average) sells specialized information (mainly through electronic channels) to professionals in the legal, tax and accounting fields. It also owns the Reuters news service.

The stock is down 19% since the start of 2025. That's largely due to concerns over slowing revenue growth after the U.S. federal government cancelled some contracts as part of its plan to improve efficiency. The company is also seeing lower demand for printed products.

However, Thomson should benefit as it continues to incorporate artificial intelligence (AI) tools into its products. These upgrades will make it easier and faster for clients to search the company's databases and analyze documents.

The company also editorially enhances 85% of the legal documents content it collects and analyzes. That gives it a big advantage over competitors that rely on AI for research, particularly as bad or inaccurate information can cause clients to lose lawsuits and pay out large settlements.

Thomson expects its revenue (excluding acquisitions and currency rates) to rise between 7.0% and 7.5% in 2025. Its earnings should also rise about 4% to $3.90 U.S. a share. The stock trades at a high, but still reasonable, 34.3 times that forecast. What's more, as a largely U.S.-based provider of electronic data, it has little exposure to tariffs.

As well, with the March 2025 payment, Thomson raised your quarterly dividend by 10.2%. Investors now receive $0.595 U.S. a share instead of $0.54 U.S. The new annual rate of $2.38 U.S. yields 1.8%. The company has now increased the annual dividend rate each year for the past 32 years.

Thomson Reuters is a tax-loss selling buy.

CANADIAN NATIONAL RAILWAY CO. $137.70 (Toronto symbol CNR; TSINetwork Rating: Above Average) is down 5% since the start of 2025. That's partly due to the impact of U.S. President Donald Trump's new tariffs on goods coming into the U.S. from Canada and Mexico.

However, the company's strong focus on efficiency should spur its earnings in the next few years. CN continues to upgrade its locomotive fleet and other equipment, which is speeding up deliveries and cutting dwell time. The company *is* also expanding its networks in Western Canada with double tracks and bigger rail yards. These projects will help expand capacity and reduce delays due to bad winter weather.

What's more, CN has raised its annual dividend rate each year since becoming a public entity in 1995. The latest increase came with the March 2025 payment, when your quarterly payment rose 5.0%, to $0.8875 a share from $0.845. The new annual rate of $3.55 yields 2.6%.

CN Rail is a tax-loss selling buy.

TELUS CORP. $18.85 (Toronto symbol T; TSINetwork Rating: Above Average) is Canada's largest wireless carrier with 14.43 million subscribers (including non-cellphone devices such as tablets) as of September 30, 2025. It also sells landline phone, Internet and TV services in B.C., Alberta and eastern Quebec.

The stock is down 2% since the start of 2025. That's mainly due to concerns that its dividend payments are hurting its ability to pay down debt and invest in new projects.

Starting in 2011, Telus began rewarding its shareholders with twice yearly dividend increases. As part of that plan, with the January 2026 payment, the company will raise your quarterly dividend by 0.5%. Investors will then receive $0.4184 a share instead of $0.4163. The new annual rate of $1.674 yields a high 8.9%.

However, to conserve cash for debt repayments and other uses, Telus will pause its previously announced plan to increase the annual rate by 3% to 8% from 2026 through to the end of 2028. As well, the company will phase out the discount it offers it offers investors who take their dividends in the form of new shares instead of cash.

These moves will free up cash that Telus can use to pay down its long-term debt of $25.73 billion (as of September 30, 2025), which is a high 79% of its market cap.

At the same time, Telus continues to benefit from lower capital spending after completing a major upgrade of its wireless and Internet systems. It also continues to explore ways to unlock the value of its surplus real estate and Telus Health (its electronic health records business).

Telus is a tax-loss selling buy.

FIRSTSERVICE CORP. $217.89 (Toronto symbol FSV; TSINetwork Rating: Average) has two main businesses: FirstService Residential provides property management services, such cleaning and maintenance; and FirstService Brands provides property restoration, painting and other services through franchised businesses.

The stock is now down 16% since the start of 2025. That's mainly due to lower demand from consumers for roofing and restoration services.

However, the company's long-term outlook remains positive. It operates in a highly fragmented industry, so it tends to fuel its growth with acquisitions. It cuts the risk of this strategy by focusing on smaller businesses that expand its market share and geographic reach. Also, many of the former owners continue to run their businesses. That lets FirstService utilize their local knowledge and expertise.

For all of 2025, FirstService's earnings will probably rise 14% to $5.71 U.S. a share, and the stock trades at 27.3 times that forecast. While high, that's still an acceptable multiple due to the recurring revenue from its service contracts and high customer retention rate (about 95%). What's more, the company has little exposure to U.S. tariffs. The $1.10 U.S. dividend yields 0.7%.

FirstService is a tax-loss selling buy.

CONAGRA BRANDS INC. $16.96 (New York symbol CAG; TSINetwork Rating: Above Average) is the the maker of some of North America's most popular food brands. They include Hunt's tomato sauce, Birds Eye frozen meals, Duncan Hines baking products, Orville Redenbacher popcorn and Reddi-wip whipped cream.

The stock is down 39% since the start of 2025 due to slowing demand for processed foods. Tariffs are also increasing Conagra's costs for food ingredients, such as cocoa, olive oil and palm oil, as well as the steel and aluminum that it uses for packaging.

In response, the company continues to modernize its facilities, which will improve efficiency and help offset the tariff impact. It will also raise selling prices on some of its products.

Conagra expects sales in the fiscal year ending May 31, 2026 to be flat compared with 2025. It also expects earnings per share will range between $1.70 and $1.85. The stock trades at 9.6 times the midpoint of that range, which is a reasonable multiple in light of the company's popular brands and high market share. The $1.40 dividend still looks safe, and it yields a high 8.3%.

Conagra Brands is a tax-loss selling buy.

CARRIER GLOBAL CORP. $54.84 (New York symbol CARR; TSINetwork Rating: Average) is a leading maker of heating, ventilation and air conditioning (HVAC) equipment.

In April 2020, the former Raytheon Technologies Corp., now called RTX Corp. (New York symbol RTX) set up Carrier and Otis Worldwide (see next page) as separate companies. For each Raytheon Technology share that investors held, they received 0.5 of a share in Otis and 1 share in Carrier Global.

Under Carrier's plan to focus on its main HVAC business, in January 2024, the company acquired the climate solution business of Germany's Viessmann Group. This business makes heat pumps, boilers, and home battery storage systems, mainly for European residential customers. Carrier paid $13.2 billion, with 80% in cash and 20% in stock. To help fund that purchase, the company sold $10 billion of its less-important operations.

Due to rising inventories of unsold equipment, Carrier now plans to cut about 6% of its workforce and other costs.

The company expects to earn $2.65 a share for all of 2025. However, savings from the restructuring could lift its earnings in 2026 by about 13% to $3.00 a share. The stock trades at a reasonable 18.3 times that forecast. The $0.90 dividend yields 1.6%.

Carrier Global is a tax-loss selling buy.

BECTON DICKINSON & CO. $193.21 (New York symbol BDX; TSINetwork Rating: Above Average) makes an array of medical devices, including stents, catheters, needles, incontinence devices and surgical tools. The U.S. supplies 60% of its revenue.

The stock hit record highs in 2020 thanks to strong demand for its COVID-19 testing kits. However, the stock suffered as the pandemic eased. It's now down 15% since the start of 2025.

In February 2025, the company announced that it would spin off its Biosciences and Diagnostic Solutions operations. It makes products that help medical providers collect, transport and analyze medical samples. It also sells instruments and substances to medial research labs.

However, the company later opted to merge this business with lab equipment maker Waters Corp. (New York symbol WAT). Becton shareholders will own 39.2% of the combined company, with Waters' shareholders holding the other 60.8%. Becton investors will not be liable for capital gains taxes until they sell their new shares.

Becton will also receive a cash payment of about $4 billion just before the combination, currently planned for early 2026. The company plans to allocate half the proceeds to debt repayments—long-term debt was $17.62 billion as of September 30, 2025, or 32% of its market cap. It will use the other for share buybacks.

The company will probably earn $14.94 a share in the fiscal year ending September 30, 2026, and the stock trades at a reasonable 12.9 times that estimate. Becton will also raise your quarterly dividend by 1.0% with the December 2025 payment. The new annual rate of $4.20 yields 2.2%.

Becton Dickinson is a tax-loss selling buy.

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About TSI Network

With over four decades of experience as an advisor, commentator, editor and publisher, Pat McKeough has a long record of determining which stocks are bound to reward investors most.

Over the past two decades he has been the editor and publisher of a growing series of investment newsletters through *TSI Network.* Pat also offers two investment advice services, *Inner Circle* and the advanced *Inner Circle Pro*. Since 1999, he and his team have put his investment approach to work for private clients in his Successful Investor Wealth Management business.

His philosophy is anchored in safety and a balanced portfolio to generate accelerating gains for subscribers and clients. TSI Network now publishes seven newsletters for every kind of investor:

1. ***The Successful Investor***—Pat's flagship advisory continues to be a beacon for Canadian investors seeking growing gains and reduced risk with the best Canadian stocks.
2. ***Power Growth Investor—***If you like the idea of "a conservative approach to aggressive investing", this advisory has Canadian and U.S. stocks with escalating growth potential.
3. ***Wall Street Stock Forecaster—***Your portfolio is much stronger with at least 20% in U.S. stocks—and this special advisory covers the 70 best U.S. stocks for Canadians.
4. ***Canadian Wealth Advisor—***A 'safety-first' advisory offering you the best conservative strategies based on well-established Canadian dividend stocks, ETFs and REITs.
5. ***TSI Dividend Advisor—***In this advisory, our exclusive Dividend Sustainability Ratings® will change the way you look at dividend stocks—and the way you invest in them.
6. ***Spinoffs & Takeovers—***If you'd like "the closest thing to a sure thing in investing," this advisory on spinoffs and other special opportunities is utterly unique.
7. ***The Best ETFs for Canadian Investors—***This ground-breaking publication shows you how to get the best results with ETFs as these investments explode in popularity.

In 2002, Pat founded his ***Inner Circle***, offering investors more personal attention, plus access to his four original publications. Members can ask Pat personal investment questions. They also get his commentaries and answers to questions posed by other Inner Circle Members. In 2017 he launched ***Inner Circle Pro***, an advanced group that receives all seven of his newsletters.

Through ***Successful Investor Wealth Management***, Pat and his team manage over $1.0 billion for individual Canadian investors. Free of comprising ties to brokerages, with no hidden costs or commissions, the team charts an independent course for clients. For the over 20 years the portfolios they manage for clients have enjoyed an uncommonly high annual average return.
You will find more information on all of these services at www.tsinetwork.ca.