



RRSP Investors: Should You Consider Bank of Nova Scotia or Enbridge Inc. Today?

Description

Canadian investors are searching for top picks to put in their RRSP accounts.

Here are the reasons why I think **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) and **Enbridge Inc.** ([TSX:ENB](#)) ([NYSE:ENB](#)) deserve a closer look right now.

Bank of Nova Scotia

Bank of Nova Scotia is often overlooked in favour of its larger peers, but the long-term potential of the bank is quite appealing.

Management is making a big bet on growth in Latin America with the main focus placed on Mexico, Peru, Colombia, and Chile. These countries form the core of the Pacific Alliance, a trade bloc set up to promote the free movement of goods and capital.

Personal banking has much more room to grow in these countries than it does in Canada. As the middle class expands, people will demand more credit cards, car loans, and investment products, and Bank of Nova Scotia is positioned well to capitalize on the opportunity.

The commercial prospects are also compelling. Companies need a wide variety of cash-management services when they begin trading in new markets. By having a strong presence in each of the Pacific Alliance countries, Bank of Nova Scotia should do well as economic activity increases in the trade bloc.

The bank is already getting solid results from the region.

The international division delivered year-over-year Q2 2016 net income growth of 12%, driven by strong loan, income fee, and deposit growth in Latin America.

This stock offers a yield of 4.3%, and investors should see steady distribution growth in the coming years. If you want a name you can buy and forget about for a decade, Bank of Nova Scotia looks like a solid pick.

Enbridge

The market is currently focusing on Enbridge's Northern Gateway and oil spill headaches, and that is putting some pressure on the stock, but the bigger picture still looks attractive.

Why?

Enbridge continues to invest in its green-energy portfolio and is making strategic acquisitions to support the liquids pipeline network.

The company also has about \$18 billion in organic growth projects on the go that will be completed over the next three years. As the new assets go into service, Enbridge should see revenue and cash flow increase enough to support annual dividend growth of at least 8%.

That's a pretty attractive set up, and investors could see the company start making more significant acquisitions if demand for new infrastructure hits an extended rough patch.

Enbridge currently offers a yield of 4.1%.

This stock has proven to be a big winner for buy-and-hold investors, and I think that trend will continue.

Is one a better RRSP buy?

Both stocks should perform well over the long haul. If you are willing to ride out a bit more energy volatility, Enbridge probably offers better upside potential right now.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:ENB (Enbridge Inc.)

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Date

2025/09/22

Date Created

2016/07/29

Author

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