

RRSP Investors: 2 Industry Leaders to Help You Fund a Comfortable Retirement

Description

Canadians are searching for high-quality stocks to buy and hold for decades inside their RRSP accounts.

Let's take a look at **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) and **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) to see why they are attractive picks.

Suncor

Suncor just reported solid Q3 2016 results and continues to take advantage of the oil rout to add new assets.

Oil sands production returned to normal rates after the wildfires forced shutdowns in the second quarter, and ongoing efforts to reduce expenses resulted in a Q3 cash operating cost per barrel of just \$22.15.

That's an 18% reduction compared with Q3 last year and is the lowest quarterly cost in more than a decade.

The company also has large refining and retail operations. Suncor's four refineries saw record crude throughput in the quarter, and the marketing group, which includes the company's Petro-Canada business, delivered steady year-over-year results.

Management has made some key investments in the past year that could deliver strong returns when the oil market recovers. The company raised its ownership of Syncrude to almost 54% through the acquisition of Canadian Oil Sands and the purchase of a 5% stake from **Murphy Oil**.

Suncor also recently purchased a 30% position in the North Sea Rosebank project.

The balance sheet remains in good shape, and Suncor has little trouble accessing funds, so investors could see further acquisitions in the near term.

Suncor pays a quarterly dividend of \$0.29 per share that yields 2.8%.

Royal Bank

Economic headwinds in Canada have pushed Royal Bank south of the border in search of new growth opportunities.

The company bought California-based City National last year for US\$5 billion in a deal that provides it with a solid platform to expand its reach into the attractive private and commercial banking segments in the United States.

The acquisition is already contributing to Royal Bank's wealth management earnings, and investors could see more deals in the coming years.

Royal Bank's personal and commercial banking operations in Canada remain strong, as do the capital markets and insurance groups. This balanced revenue stream is one reason why the company continues to deliver strong results, despite some challenging economic conditions.

How strong?

Royal Bank earned just under \$10 billion in 2015 and is on track to top the milestone this year.

The company has a solid track record of dividend growth, and investors who buy today can pick up an attractive 4% yield.

Is one a better pick?

A few months ago I would have chosen Suncor, but the stock has since rallied to the point where I would say it's a coin toss between the two names today.

CATEGORY

1. Bank Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

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1. NYSE:RY (Royal Bank of Canada)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:RY (Royal Bank of Canada)
4. TSX:SU (Suncor Energy Inc.)

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