



RRSP Investors: Should You Own Telus Corporation or Bank of Nova Scotia?

Description

Canadians investors are searching for top-quality companies to put in their self-directed RRSP accounts.

Let's take a look at **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) and **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) to see if one deserves to be in your portfolio.

Telus

Telus continues to enjoy a comfortable position in the Canadian communications market, despite increasing competition for mobile customers in the western part of the country.

Mobile, internet, and TV subscribers are increasing at an impressive clip, and Telus is investing the funds needed to keep its network infrastructure capable of meeting the rising data consumption.

Telus also invests heavily in customer service initiatives, and that strategy is paying off. The company's post-paid mobile churn is less than 1%, and the loyal customers have spent more on a year-over-year basis for 24 straight quarters.

Management just raised the dividend for the 12th time in the past six years. The current quarterly payout of \$0.48 per share provides a yield of 4.5%.

Some pundits are concerned Telus could get left behind by not having a media division. Time will tell on that front, but investors should keep an eye on the company's Telus Health group, which is already Canada's leading provider of digital health solutions for doctors, hospitals, and insurance companies.

Bank of Nova Scotia

Bank of Nova Scotia just reported stronger-than-expected fiscal Q4 2016 results.

The company is seeing the benefits of recent restructuring efforts as well as strategic investments made in recent years in international markets.

The main international focus is on Pacific Alliance members Mexico, Colombia, Chile, and Peru, which have a combined market of more than 200 million consumers. The four countries have reduced trade barriers, merged their equity markets, and enabled the free movement of capital and labour.

As the middle class continues to expand in the region, demand for credit cards, car loans, and investment products will grow, and Bank of Nova Scotia is positioned well to benefit.

The company raised the dividend twice this year and currently offers a yield of 4%.

Is one more attractive?

Both companies are strong buy-and-hold picks for any RRSP account.

Earlier this year I would have recommended Bank of Nova Scotia as the first pick, but the stock has rallied to the point where I would say it is pretty much a coin toss between the two names today.

If you simply want the highest yield, go with Telus. If you like the idea of having exposure to emerging markets, Bank of Nova Scotia is a better bet.

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