



How to Deploy the Cash in Your RSP

Description

After a busy RSP season, many investors have successfully made RSP contributions on time, but they might be unsure how to invest their hard-earned money. The good news is, there is no rush to invest, but the bad news is, failing to find a great buy will not provide any returns. The money sitting in the account will be stagnant.

Investors have many approaches to deploying their capital. The most patient and astute investor will use the Warren Buffett approach of deploying capital. Only when the planets line up will some people invest, whereas most investors want to deploy money a little more often.

What is often recommended to retail investors is to regularly invest in the market either monthly or quarterly without considering the price of what is being bought. Although this averages out over time, the downside is that there are times when investors make purchases at sky-high prices.

Those who have made RSP contributions and know the money needs somewhere to go need not worry. There is no time like the present to do some homework and figure out what works best for them.

Currently, shares of **Intertape Polymer Group** ([TSX:ITP](#)), which have had a fantastic run over the past three years, have finally pulled back under the 200-day simple moving average (SMA), potentially offering investors a fantastic opportunity to enter an initial position. For a company driving revenues by selling tape, this is one of the most boring companies available.

A contender for the crown of the most boring company is **North West Company Inc.** ([TSX:NWC](#)), which operates general stores or grocery stores in remote regions of Canada and Alaska. Currently offering investors a dividend yield in excess of 4%, shares have had an excellent run over the past four months to reach their current levels.

For investors looking for yield, shares of **Dream Industrial Real Estate Invest Trst** ([TSX:DIR.UN](#)) are as stable as anything else out there. Currently offering investors a yield in excess of 8.25%, shares trade at 110% of tangible book value and offer the most consistent cash flows in the market. Over the past several years, industrial real estate has started to captivate investors.

Depending on the preferences of the investor, the time may be right to deploy cash, or it may be preferable to wait. One thing for sure is that the money sitting on the sidelines won't offer much of a return. For investors who choose to take the plunge, however, it may be a good idea to test the temperature of the water before diving in.

For those who absolutely want to take the plunge, it is essential to understand the market cycle and where the last few years have led us. At this time, defensive stocks may be best.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:ITP (Intertape Polymer Group)
3. TSX:NWC (The North West Company Inc.)

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