# Investing for Retirement? 3 Stocks You Might Want to Buy

## Description

When you retire, you will need your portfolio to generate a sufficient income to replace the income you were earning when you were working.

You will probably get some money from public pension funds and perhaps from a pension fund you got at work, but for most people, those sources of funds are not enough, and they need to rely on their RRSP to generate money to live comfortably.



You should begin to invest for your retirement when you're young — ideally, when you're in your 20s. This gives time for your portfolio to generate enough money to reach your retirement goal.

But even if an investment horizon of 30-40 years is very long, you should nevertheless choose your stocks with care. You should look for stocks that have the potential to grow a fair amount until your retirement, but that are not too risky so you don't lose money.

You should prioritize price appreciation over dividend yield, since you don't need to live on the income generated from your portfolio.

The following three stocks are great stocks to buy and hold until your retirement. The three companies are all very solid financially and have many growth opportunities.

I took care to choose stocks in different sectors for diversification, and I chose defensive stocks to avoid the risk of losing a tonne of money in case a recession happens just before your retirement.

**Alimentation Couche Tard**

**Alimentation Couche Tard Inc.'s** (TSX:ATD.B) share price performance is very impressive. Indeed, its 10-year compound annual growth rate of return (CAGR) is 23.95%. Very few stocks show returns that high over such a long period.

Couche Tard is showing strong growth with future growth estimates in the double digits. Thus, analysts expect earnings per share (EPS) to grow by 65.1% from $2.68 for the current fiscal year (2018) and at a rate of 15.4% for the next fiscal year (2019). With a forward P/E of 17.9, you get strong growth for a relatively low price.

Couche Tard's stock has a beta of -0.87. A negative beta means that the stock evolves in opposite direction of the market. Since the beta is below one, it means that the share price doesn't show a lot of volatility.

**Dollarama Inc.**

Since **Dollarama Inc.** (TSX:DOL) stock has been trading publicly for eight years, we cannot calculate a 10-year CAGR. However, its five-year CAGR is very high, standing at 32.09%.

Strong growth is expected for Dollarama in the years to come. Indeed, its EPS are estimated to grow on average by 34.5% from $3.87 for the current fiscal year (2018). Earnings growth is also expected to be in the double digits for the next fiscal year (2019) with a growth rate of 18.4% estimated on average.

Dollarama's stock has a beta of -0.11. A low and negative beta means that this stock is not correlated with the market's movements and that it doesn't fluctuate much. When the market goes up, Dollarama's share price goes down, and vice versa.

**Intact Financial Corporation**



**Intact Financial Corporation** (TSX:IFC) has a 10-year CAGR of 8.73%. That's not very impressive, but the share price has risen consistently, showing positive returns since 2009.

Intact's share price should rise more in the years to come. Strong growth in EPS is expected. Indeed, its EPS should grow by 48.9% from $3.93 for the current fiscal year (2017) and at a rate of 20.8% for the next fiscal year (2018).

The forward P/E of Intact's stock is 16.45, and its forward PEG is 0.82. Since the PEG is below one, its means that you're paying a low price for a high future growth.

With a very low beta of 0.34, Intact's share price is much less volatile than the market. Therefore, you should lose less during a market downturn.

**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. TSX:DOL (Dollarama Inc.)
2. TSX:IFC (Intact Financial Corporation)

**PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

**Category**

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