



2 Top-Performing Stocks to Buy and Hold in Your RRSP

Description

Investing for retirement means that you have a long horizon ahead of you. Therefore, you should choose your stocks carefully to ensure you have enough money to live a comfortable retirement.

If you don't like to trade a lot because of the time and costs involved, you can simply buy and hold stocks. But for this strategy to be profitable, you need to buy high-quality stocks with a good chance of returning a steady and sufficient growth over the long term.

Canadian Tire Corporation Limited ([TSX:CTC.A](#)) and **Lassonde Industries Inc.** ([TSX:LAS.A](#)) are two stocks that you can own without losing sleep at night worrying about your money.

Canadian Tire Corporation Limited

In a retail sector assaulted by **Amazon**, Canadian Tire [continues to stand out](#).

The third quarter of the multi-brand retailer boosted analysts' confidence in the stock.

Canadian Tire earned a profit of \$2.59 per share in the third quarter – up 6.1% compared to same quarter last year.

The 38% jump in the dividend to \$0.90 per share was a pleasant surprise, as well as the 4.7% increase in same-store sales for its flagship Canadian Tire stores, which saw the best performance in 10 years.

The company provided new financial aspirations that it aims to achieve by 2020. An average annual growth of 3% in same-store sales (all brands combined, excluding gasoline sales at the pump) is forecasted.

The expected compound annual growth in profits has increased from the 8%-10% rate it held over the past three years to more than 10% for the next three years.

The retailer targets a return on invested capital (ROIC) of more than 10% by 2020, compared to aROIC of 9% in 2017.

According to analyst Kenric Tyghe of **Raymond James Financial, Inc**, while Canadian Tire is better at operating than most retailers, relying more on the data analysis provided by its loyalty programs and credit card division, there is still room for improvement, which gives the retailer more potential.

In addition to the stores of the same name, Canadian Tire owns the banners L'Équipeur, Sport Chek, Hockey Experts and Sports Experts.

Canadian Tire's stock has returned almost 13% over the last 15 years.

Lassonde Industries Inc.

The third quarter results show that the Oasis juice producer is [well positioned](#) in a competitive industry.

Although hurricanes and the exchange rate have hurt the company, Lassonde Industries managed to increase its operating profit by 5% to \$45.1 million.

Earnings per share were up 14% to \$2.87 compared to last year, outpacing analysts' forecast by \$0.13.

Analyst Frederic Tremblay of Desjardins Capital Markets appreciates Lassonde's dual strategy, which innovates with differentiated health products with its own national brands while satisfying retailers' appetite for private labels.

Lassonde continues to gain market share in private brand juice, as some grocers give them more room on their shelves at the expense of major national brands. The company also adapts well to fluctuations in its supply costs.

Although Lassonde wasn't able to acquire U.S. juice producer Cliffstar Corp. in August, the company is still on the lookout for acquisitions.

According to Tremblay, without acquisitions, Lassonde's free cash flow of \$100 million a year would eliminate all its debt by the end of 2019. The juice producer's strong balance sheet is supportive of potential growth initiatives, both internal and external.

Lassonde Industries' stock has returned more than 20% over the last 15 years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)
2. TSX:LAS.A (Lassonde Industries Inc.)

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