



Should You Put Bank of Nova Scotia or BCE Inc. in Your RRSP?

Description

Canadian savers are searching for top-quality stocks to add to their [RRSP](#) portfolios.

Let's take a look at **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) to see if one is an attractive pick today.

Bank of Nova Scotia

Investors often overlook Bank of Nova Scotia in favour of its larger peers, but that might be a mistake, especially for RRSP investors.

Why?

Bank of Nova Scotia has invested heavily in building its international operations, with a specific focus on Mexico, Peru, Colombia, and Chile. The four countries form the core of the Pacific Alliance, a trade bloc set up to promote the free movement of capital and goods.

As the middle-class grows, demand for banking products should increase and Bank of Nova Scotia's strong presence in all four countries sets it up well to take advantage of those opportunities.

In addition, companies that are taking advantage of the trade agreements require a wide variety of cash management products and services when they enter new markets.

The Canadian operations are also growing. Bank of Nova Scotia just announced a \$950 million deal to acquire wealth manager Jarislowsky Fraser.

The bank has a strong track record of dividend growth, and investors should see the trend continue. The current payout provides a yield of 4%.

BCE

BCE made two acquisitions and launched a new service in the past year.

The purchase of Manitoba Telecom Services bumped BCE into top spot in the Manitoba market and positioned the company for an expansion of its presence in Western Canada.

In addition, BCE recently closed its takeover of home security company AlarmForce. The deal provides BCE with additional services to offer its massive customer base.

Finally, BCE launched its low-cost prepaid mobile business, Lucky Mobile.

The new assets should help boost revenue this year and provide support for additional [dividend](#) growth. The company just raised the payout by 5%.

BCE's stock has been under pressure over the past two month, but the pullback might be a bit overdone. At the time of writing, investors can buy the stock for less than \$56 per share and pick up a solid 5.6% yield.

Is one more attractive?

Both stocks should be strong buy-and-hold options for a dividend-focused RRSP portfolio. At this point, I would probably split a new investment between the two names.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

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2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BCE (BCE Inc.)
4. TSX:BNS (Bank Of Nova Scotia)

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