



These 2 Worry-Free Value Stocks Are Custom-Tailored for Your RRSP

Description

The [RRSP deadline](#) is quickly approaching, so if you've decided to contribute this year, you may want to create a shopping list of blue chip gems that'll allow your nest egg to snowball over the long haul. The TSX has been rocked by market volatility, which means that now is an absolutely fantastic time to pick up shares of high-quality names that are trading at very reasonable valuations.

Without further ado, here are five relatively cheap stocks that you can add to your RRSP and completely forget about for the next few decades:

Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#))

CN Rail is a name that any investor should feel comfortable buying on dips and holding for decades at a time. It's one of the widest moat businesses out there, and the management team knows how to drive operational efficiencies like nobody else in the industry. When it comes to the rail industry, CN Rail is a quality name that you really don't need to think about too often if it's in your portfolio.

The company is a [dividend-growth powerhouse](#) that's rewarded shareholders who have stuck around through thick and thin. Going forward, the company's well-equipped to continue raising its dividend, thereby rewarding shareholders and allowing them the whack the market over the long term.

The 1.9% dividend yield seems meagre now, but in a decade or more, the dividend (along with the stock) will appreciate so profoundly that you'll have a large, reliable stream of income flowing in.

Think of buying shares today as planting the seeds of a tree whose fruit you'll enjoy as the tree grows and matures gradually over the next few decades. Sure, there's little to no fruit now, but keep planting the seeds by reinvesting your dividends and you'll be setting yourself up for a very rich retirement in the next decade and beyond.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#))

Fortis is a steady blue-chip that's a defensive foundation that's like a "bomb shelter" for any portfolio. We're in the late stages of a bull market and excessive complacency has caused investors to go all in

on expensive high-growth names, leaving defensive dividend stocks like Fortis in the dust.

Higher interest rates are a clear negative for utilities, and Fortis isn't immune to this headwind. However, I believe the stock has been overly punished of late, especially given its rock-solid defensive nature and the stability of its dividend, which is worthy of a premium.

Every portfolio needs something to fall back on should a bear market rear its ugly head. Fortis and its ~4.1% dividend yield can be relied upon during the ups and downs that the markets will experience over the decades. Now's as good a time as any to buy shares of this defensive bomb shelter because once the market implosion occurs, the damage to your portfolio will be minimized if you were prepared beforehand, and not after the fact.

Bottom line

If you want your RRSP to profit profoundly over the decades, CN Rail and Fortis are two low maintenance names that you can own without a worry as your retirement nest egg grows decade after decade.

Right now, these two blue-chip names are trading at a slight discount based on traditional valuation metrics. Ring in RRSP season with these names and plant your seeds as soon and as often as you can. You'll thank your lucky stars later on.

Stay hungry. Stay Foolish.

CATEGORY

1. Dividend Stocks

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1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CNR (Canadian National Railway Company)
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