



## 4 Stocks to Add to Your RRSP Before the Contribution Deadline

### Description

Canadians are rushing to make final contributions to their RRSPs as February winds to a close. The S&P/TSX Index has tumbled 3% in 2018 as of close on February 26, but there are still a number of attractive options for investors seeking long-term options. Today, we will look at four stocks that you should consider adding to your RRSP.

#### **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#))

CIBC stock has declined 2.9% in 2018 thus far. Bank stocks continue to be [highly desirable vehicles](#) for capital growth and steady income for Canadian investors. CIBC released its first-quarter results on February 22.

The bank reported adjusted net income of \$1.43 billion compared to \$1.16 billion in Q1 2017. CIBC was forced to absorb an \$88 million charge from net tax adjustments resulting from the Tax Cuts and Jobs Act, which was enacted in December 2017. Its performance in its U.S. Commercial Banking and Wealth Management segment more than made up for it, as net income surged 362% to \$134 million. CIBC should also benefit from the corporate tax rate, which was slashed from 35% to 21%.

CIBC hiked its quarterly dividend to \$1.33 per share, representing a 4.4% dividend yield.

#### **Open Text Corp.** ([TSX:OTEX](#))([NASDAQ:OTEX](#))

Open Text is a Waterloo-based company that develops and sells enterprise information management software. Those on the hunt for long-term options should be targeting [tech growth stocks like Open Text](#). Shares of Open Text have increased 1.2% in 2018 and are up 3.1% year over year. The company released its fiscal 2018 second-quarter results on January 31.

In the second quarter, Open Text posted revenue of \$734 million, which represented a 35% increase from the prior year. Operating cash flows jumped 156% from the previous quarter to \$167 million, and adjusted EBITDA rose 45.2% to \$290.1 million. The Open Text board also declared a dividend of \$0.16 per share, representing a 1.4% dividend yield.

## **TransAlta Renewables Inc.** ([TSX:RNW](#))

TransAlta Renewables is a Calgary-based company that owns a portfolio of renewable and natural gas power facilities and a number of other infrastructure assets. Shares of TransAlta Renewables have dropped 12.4% in 2018. The company released its 2017 fourth-quarter and full-year results on February 22.

The company realized a full-year comparable EBITDA of \$424 million — an increase of \$17 million from the prior year. Net earnings in the fourth quarter rose \$7 million to \$33 million compared to Q4 2016. The company hiked its monthly dividend by 7% to \$0.08 per share, representing an attractive 8% dividend yield.

## **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#))

Royal Bank of Canada stock has dropped 0.25% in 2018 thus far, but shares are up 5.9% year over year. The bank released its first-quarter results on February 23.

Net income was flat year over year at \$3.01 billion due to a \$178 million one-time charge that was a result of U.S. tax reform. Excluding the charge, net income was up 7% year over year, and diluted earnings per share rose 10% to \$2.01. Royal Bank hiked its quarterly dividend 3% to \$0.94 per share, representing a 3.6% dividend yield.

### **CATEGORY**

1. Investing

### **POST TAG**

1. Editor's Choice

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3. NYSE:RY (Royal Bank of Canada)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:OTEX (Open Text Corporation)
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## Date

2025/09/11

## Date Created

2018/02/27

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