



## RRSP Investors: 2 Canadian Stocks to Hold for Decades

### Description

Canadian investors are searching for reliable stocks to build a buy-and-hold [RRSP](#) portfolio.

Let's take a look at **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)) and **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) to see why they might be interesting picks.

#### Nutrien

Nutrien was created through the merger of Potash Corp. and Agrium.

The combined potash, nitrogen, and phosphate operations position the company to better compete on the global stage, and Agrium's strong retail division provides a nice revenue hedge to offset any volatility in the wholesale segment.

Fertilizer prices appear to be improving after going through a multi-year slump. In fact, Nutrien upgraded its earnings guidance when it reported the Q1 2018 results, citing improvements in potash and nitrogen markets. The phosphate group is expected to perform in line with 2017.

Nutrien also declared a quarterly dividend of US\$0.40 per share during its first three months. That's good for a yield of 3%.

Both Agrium and Potash wrapped up major capital programs before the merger, so Nutrien is well positioned to compete on the global stage and meet rising market needs in the coming decades. As the fertilizer segment continues its recovery, shareholders should see a strong improvement in free cash flow, which would support dividend hikes.

#### TransCanada

TransCanada reported a 21% increase in Q1 earnings per share compared to the same period last year. The company's legacy assets continue to perform well, and the completion of \$7 billion in new projects helped offset revenue lost through the disposition of some non-core power assets in the United States.

TransCanada is currently working its way through \$21 billion in near-term developments, of which \$11 billion should go into service this year. The rest is scheduled for completion through 2021. As the new assets go online, TransCanada expects to see revenue and cash flow improve enough to support annual dividend growth of at least 8% over this time frame.

The current payout provides a [yield](#) of 5%.

Beyond 2021, TransCanada has \$20 billion in larger projects under consideration, including the Bruce Power life extension, Coastal GasLink, and Keystone XL. If any one of these projects gets the green light, investors could see the dividend-growth guidance extended.

In addition, management is evaluating opportunities for smaller tuck-in projects along TransCanada's extensive gas and liquids infrastructure portfolio.

### **The bottom line**

Nutrien and TransCanada should be attractive picks for a buy-and-hold RRSP fund. An equal investment between the two companies would provide a 4% yield and give your portfolio solid exposure to both North American and global growth.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

### **TICKERS GLOBAL**

1. NYSE:NTR (Nutrien)
2. NYSE:TRP (Tc Energy)
3. TSX:NTR (Nutrien)
4. TSX:TRP (TC Energy Corporation)

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