3 Top Canadian Stocks to Start a Self-Directed RRSP Portfolio

Description

Canadians are increasingly taking their retirement planning into their own hands, and building a balanced RRSP portfolio of top stocks is a popular strategy for setting some funds aside for the golden years.

default watermark

Let's take a look at three companies that deserve to be on your radar.

Canadian National Railway (TSX:CNR)(NYSE:CNI)

CN is an integral part of the Canadian and U.S. economies, transporting $250 billion worth of raw materials and finished products every year. The company operates more than 20,000 route miles of track running coast to coast in Canada and straight through the heart of the United States.

CN is investing $3.4 billion in 2018 to improve track infrastructure, purchase new locomotives and railcars, and expand capacity at yards and intermodal terminals.

The company is very profitable and generates adequate free cash flow to support dividend increases. CN raised the payout by 10% for 2018 and has one of the best track records in the Canadian market when it comes to returning cash to investors, with a compound annual dividend-growth rate of about 16% over the past 20 years.

If you want a stock you can simply buy and forget about for decades, CN should be high on your buy list.

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS)

Bank of Nova Scotia continues to grow its international and Canadian and operations through strategic acquisitions.

In the international group, the bank sealed a deal late last year to acquire a majority stake in BBVA Chile for US$2.2 billion. The move is part of an expansion of Bank of Nova Scotia's operations in the Pacific Alliance countries of Mexico, Peru, Chile, and Colombia. Management has said the bank would like to get market share above 10% in each of the four countries, and the BBVA move achieves that goal in Chile. The purchases is expected to close in the coming months and will increase Bank of Nova Scotia's market share in the country to 14%.

At home, Bank of Nova Scotia is adding to its wealth management business. The company picked up Jarislowsky Fraser for $950 million earlier this year and recently announced a deal to buy MD Financial for $2.6 billion.

The international and domestic acquisitions should help drive future earnings growth and support dividend increases. The current payout provides a yield of 4.3%.

Fortis Inc. (TSX:FTS)(NYSE:FTS)

Fortis began as a small power company in eastern Canada in 1885. Today, it is one of the 15 largest utilities in North America with $49 billion in assets and more than three million electric and gas utility customers.

The company expects to raise the dividend by about 6% per year through 2022, supported by a $15.1 billion capital program.

Investors who buy today can pick up a 4% yield.

default watermark

The bottom line

CN, Bank of Nova Scotia, and Fortis are top Canadian stocks with strong track records of delivering solid long-term returns to investors. A balanced investment in all three would provide good exposure to Canada, the United States, and Latin America, while covering different industries.

CATEGORY

1. Bank Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Investing
3. Stocks for Beginners

Date
2025/08/25
Date Created
2018/06/28
Author
aswalker

default watermark

default watermark