



## RRSP Investors: 2 Stocks to Anchor Your Retirement Fund

### Description

The bull run in the stock market is in its 10th year, and that has some investors wondering which [stocks](#) might be good picks ahead of the next pullback.

Let's take a look at two companies that should hold up well when the broader market goes through a rough patch.

#### **Waste Connections Inc.** ([TSX:WCN](#))([NYSE:WCN](#))

Waste Connections operates garbage collection, recycling, and waste transfer services, as well as a subsidiary company that provides specialized non-hazardous oilfield waste treatment services to the energy sector. In total, Waste Connections serves more than six million customers located in 39 American states and six Canadian provinces.

The company reported solid Q1 2018 results. Adjusted net income rose to \$148.6 million, or \$0.56 per share, compared to \$130.3 million, or \$0.49 per share, in the same period last year.

Waste Connections continues to grow through acquisitions, including recent deals in Florida and Arizona, and investors should see the trend continue as the waste industry consolidates.

The company pays a small quarterly dividend of US\$0.14 per share for a yield of 0.75%. Management plans to increase the dividend each year, while maintaining the growth strategy.

The stock isn't cheap, trading at 28 times trailing earnings and 16.3 times cash flow, but it's reasonably priced compared to the industry average of 33.5 times trailing earnings and 22.1 times cash flow. The share price has tripled in the past five years.

#### **Telus Corporation** ([TSX:T](#))([NYSE:TU](#))

Telus operates mobile and landline communications businesses across Canada.

The company has made a strategic decision to avoid battling with its peers in the media sector and has

instead focused investments on building a state-of-the-art network across the country as well as operating niche businesses, such as Telus Health.

Telus works hard to ensure its customers are happy, and the efforts continually turn up in the numbers. In fact, the company regularly reports an industry-low mobile churn rate. This is important, as the cost of acquiring new customers is significant, and the current expansion of Shaw's Freedom Mobile operations creates a fourth national competitor that will put additional pressure on the leading mobile service providers to step up their game.

Telus is targeting annual dividend increases of 7-10% for this year and 2019. The company said it is beyond the 50% mark of its broadband network expansion and has passed the peak spending point in the current capital-investment program, so investors could see the dividend-growth guidance extended as free cash flow improves in the coming years.

The current dividend provides a [yield](#) of 4.5%.

### Should you buy?

Waste Connections and Telus are attractive picks for investors who want to add low-volatility names to their portfolios today. In the event of an economic downturn, people will still generate garbage, and very few will give up their mobile and internet services.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. NYSE:WCN (Waste Connections)
3. TSX:T (TELUS)
4. TSX:WCN (Waste Connections)

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