Preparing for Retirement? Consider Buying These 2 High-Performance Stocks

Description

If you're looking to fill your coffers ahead of retirement with a few RRSP-ready stocks, the TSX index holds a few gems. Below you will find a dividend stock with some growth and a growth stock that pays some dividends. They're two stocks for two very different investment styles, but either (or both!) would be just right for squirreling away funds for your retirement years.

An energy stock and an agri stock make for today's duo of dividend payers that will help increase your wealth ahead of, and into, your retirement. Let's start with the former and see how they shape up.

Enbridge (TSX:ENB)(NYSE:ENB)

Overvalued by 16% of its future cash flow value, Enbridge is slightly expensive for what it is, though it's a high-quality stock with some upside left (consider a 16% expected annual growth in earnings). Looking through its multiples, we can see a P/E of 31.2 times earnings, PEG of twice growth, and P/B of 1.5 times book. As a ticker, Enbridge's price doesn't exhibit much momentum, counting it out as a choice for capital gains investors.

But as a company, Enbridge is everywhere: you'll see evidence of the ubiquity of its brand pretty much every day if you take even a short drive across town. This kind of brand familiarity is an overlooked but positive component of retirement stocks, since it gives shareholders some peace of mind that their investments are nice and healthy. However, what makes it a great retirement stock, rather than merely a good one, is a juicy dividend yield of 5.77%.

Nutrien (TSX:NTR)(NYSE:NTR)

Taken with an overvaluation by 114% of its future cash flow value, Nutrien's current P/E of 67.1 times earnings indicates on overvalued stock. More importantly, a PEG of 3.1 times growth doesn't sit so well with a 21.9% expected annual growth in earnings, undercutting the upside on offer.

However, Nutrien’s P/B ratio of 1.5 times book indicates that this stock is priced fairly in terms ofassets, so investors looking for value should weigh up which of the above multiples means most tothem. Growth investors should keep that +20% annual earnings forecast in mind and trade accordingly.

As with Enbridge, retirement investors who like to see evidence of their stocks doing well in the real world will find plenty to satisfy them in Nutrien: a massive global supplier of crop nutrients, Nutrien really does appear to be everywhere these days. A dividend yield of 2.76% pairs nicely with that worldwide brand familiarity to make Nutrien a reassuring (and profitable) long-term choice for retirement investors.

The bottom line

Retirement investors are encouraged to stay bullish on stocks and continue to make hay while the sun shines. The above two stocks are perfect for any retirement fund, and would be great additions to any RRSP, RRIF, or TFSA, for that matter. Enbridge is clearly a better pick for the value-conscious investor, while Nutrien is a better investment for those with a taste for growth stocks that pay dividends. Pick up both if you want a nicely diversified pair of high-performance stocks to help you profit well into retirement.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks
5. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:NTR (Nutrien)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NTR (Nutrien)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks
5. Stocks for Beginners

Date
2025/07/02
Date Created
2018/08/07
Author
vhetherington