3 Stocks for Millennials to Stash in Their RRSPs

Description

The most recent Ontario election saw all three major political parties make big promises to the millennial demographic, particularly when it came to affordable housing. This is just one major challenge facing what is now the most populous age demographic in North America. Another is the drive to save for retirement. Many millennials first entered the workforce after the financial crisis. This is an investment environment of historically low interest rates, and thus young investors are being forced to take more risk to outpace inflation.

Some millennials have taken to passive investment during this period. Services like robo-advisors are becoming more popular, and simple, self-directed accounts using index funds are often pitched to this demographic. Of course, there are also many millennials that have chosen to self-direct their portfolios and buy and sell stocks on a regular basis.

Today, we are going to look at three solid options for millennials that have chosen the self-directed route. All three of these companies are well positioned to post solid growth in the years to come. All three also offer income that is well suited for retirement portfolios.

TransAlta Renewables (TSX:RNW)

TransAlta Renewables is a Calgary-based electric utility company that owns and operates energy generation and transmission facilities. Shares have dropped 9.9% in 2018 as of early afternoon trading on August 9. The stock is down 15% year over year. In the second quarter, comparable EBITDA was flat year over year at $98 million, while net earnings attributable to shareholders grew to $65 million from $22 million in Q2 2017. This was largely due to higher finance income of $35 million in this fiscal year.

The public and private sector are increasingly shifting gears to invest in renewables. Young investors have the chance to hit the ground running, as the developed world looks to transition primarily to green energy by the middle of this century. TransAlta also offers a monthly dividend of $0.07833 per share, which represents an attractive 7.7% dividend yield.

Andrew Peller (TSX:ADW.A)

Andrew Peller stock was up 2.5% in early afternoon trading on August 9. This stock offers millennials the chance to get in on the burgeoning wine industry in Canada. It is also appropriate, as it is the consumer habits of millennials that are driving wine to compete with beer for overall market share for the first time in decades. Andrew Peller offers a quarterly dividend of $0.0513 per share, which represents a modest 0.3% dividend yield. Shares are up over 50% year over year.

Alcanna (TSX:CLIQ)

Alcanna is an Edmonton-based retailer of adult beverages that has also moved into the cannabis sector after **Aurora Cannabis** acquired 25% of the company earlier this year. Shares are up 3% month over month as of early afternoon trading on August 9. The company is set to release its second-quarter results on August 13.

Alcanna will begin opening cannabis retail stores with the Aurora brand name, as recreational legalization begins its roll-out this fall. Ontario has also moved to privatize sales, and Alcanna is reportedly looking to move in on the largest market in the country. The stock offers a dividend of $0.09 per share, representing a 3.4% dividend yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ACB (Aurora Cannabis)
2. TSX:ADW.A (Andrew Peller Limited)
3. TSX:RNW (TransAlta Renewables)

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