



5 Stocks to Hold in Your RRSP For 25 Years

Description

Canadian savers are searching for top stocks to put inside their self-directed [RRSP portfolios](#).

Contributions to the RRSP can be used to reduce taxable income, which is particularly beneficial for mid-career investors who find themselves in the higher marginal tax brackets and for people who have maxed out their TFSA contributions.

Let's take a look at five stocks that might be interesting picks today.

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#))

Royal Bank is a giant in the Canadian and global banking industry. In fact, it is deemed as being “too big to fail.”

The company is well managed, with a diversified revenue stream that enables it to ride out speed bumps that occur from time to time in the markets. Royal Bank's Canadian operations remain the largest contributor to earnings, but the U.S. business is becoming more relevant, and with rising interest rates south of the border and lower tax rates, it should support strong long-term results in that market.

Royal Bank is targeting medium-term earnings-per-share growth of 7-10% per year. The dividend should continue to increase in step with higher profits.

At the time of writing, the stock has a [yield](#) of 3.8%.

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#))

CNRL is Canada's top independent natural gas producer and the country's largest producer of heavy oil. The company probably has the best asset portfolio in the Canadian energy patch, with operations and resources located in the top plays that cover oil sands, heavy oil, light oil, natural gas, and natural gas liquids.

A strong balance sheet gives CNRL the flexibility to move quickly when opportunities arise to add strategic assets at attractive prices.

The company raised the dividend by 22% this year, supported by the recovery in oil and higher production. The stock provides a yield of 3.2%.

Sun Life Financial ([TSX:SLF](#))([NYSE:SLF](#))

Sun Life has insurance and wealth management businesses in Canada, the United States, the UK, and Asia.

The long-term attraction for investors is the Asian operations. Sun Life has a strong and growing presence in emerging economies such as India, China, the Philippines, Vietnam, Malaysia, and Indonesia.

As the middle class expands in these markets, Sun Life should see increased demand for its products and services. The Asian business unit already contributes nearly 20% of the company's underlying net income.

Sun Life's dividend is growing and provides a yield of 3.7%.

TransCanada ([TSX:TRP](#))([NYSE:TRP](#))

TransCanada owns an extensive network of oil and gas pipelines and related infrastructure in Canada, the United States, and Mexico. The company has \$28 billion in near-term projects on the go and an additional \$20 billion of medium term opportunities, including the \$6.2 billion Coastal GasLink pipeline that will be built in British Columbia to supply natural gas to the LNG Canada facility.

TransCanada's dividend is expected to increase 8-10% per year through at least 2021. The stock provides a yield of 5.2%.

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

Telus is a leading provider of mobile and wireline communications services across Canada. Supported by its strong focus on customer service and its extensive investments in network upgrades, the company continues to add new subscribers at steady rates.

The Telus Health division holds long-term promise. Telus is already Canada's leading provider of digital health solutions to Canadian doctors, hospitals, and insurance companies.

Telus has a strong track record of dividend growth. Investors who buy today can pick up yield of 4.6%.

The bottom line

All five companies are top players in their respective industries and should be solid buy-and-hold picks for a dividend-focused RRSP portfolio.

CATEGORY

1. Bank Stocks

2. Dividend Stocks
3. Energy Stocks
4. Investing
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TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TRP (Tc Energy)
4. NYSE:TU (TELUS)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:RY (Royal Bank of Canada)
7. TSX:SLF (Sun Life Financial Inc.)
8. TSX:T (TELUS)
9. TSX:TRP (TC Energy Corporation)

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