



Millennials: 3 Top Stocks to Start Your TFSA Retirement Fund Today

Description

The recent pullback in the stock market is giving new investors a chance to pick up a few top [TSX Index stocks](#) to start a TFSA retirement portfolio.

Young Canadians are searching for ways to set aside adequate cash to ensure they can enjoy a comfortable life in their golden years. One strategy involves owning quality dividend stocks inside a TFSA and investing the distributions in new shares. Over time, the power of compounding can turn modest initial contributions into a nice nest egg.

Let's take a look at three companies that might be interesting picks today.

Rogers Communications ([TSX:RCI.B](#))([NYSE:RCI](#))

Rogers is a major player in the Canadian communications industry, supplying mobile, internet, and TV services to millions of subscribers. The company also owns the Toronto Blue Jays and is a partner in the company that controls Toronto's other major professional sports teams, including the Leafs and the Raptors.

The company recently reported strong Q3 2018 results. Revenue rose 3% and adjusted EBITDA jumped 8% compared to the same period last year. Adjusted diluted earnings per share jumped 13%.

Rogers is improving its customer service, and that is showing up in the numbers. Postpaid mobile churn came in at 1.09%, which was seven basis points better than last year and the best Q3 result in nine years.

Rogers increased its full-year guidance for EBITDA and free cash flow growth. The company generated free cash flow of \$550 million in the quarter compared to \$523 million in Q3 2017.

Long-term investors have enjoyed nice gains. The stock traded for about \$10 per share 15 years ago. Today it is worth \$67.

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

Royal Bank earns about \$1 billion in profit every month.

The company is one of the largest banks in the world with a market capitalization of \$140 billion. A balanced revenue stream and operations in key segments of the market should support ongoing revenue and earnings growth. Royal Bank has strong personal and commercial banking, insurance, capital markets, and wealth management groups, including its City National business in the United States.

The recent pullback in the stock is giving investors a chance to pick up Royal Bank at a reasonable price. The dividend [yield](#) is currently 4%.

Fortis ([TSX:FTS](#))([NYSE:FTS](#))

Fortis operates natural gas distribution, power generation, and electric transmission assets in Canada, the United States, and the Caribbean.

The majority of the revenue comes from regulated assets, which means cash flow should be steady. This is important for dividend investors who rely on predictable and growing payouts. Fortis has increased its dividend every year for more than four decades, and management intends to raise the distribution by 6% per year through 2022. Investors who buy today can pick up a 4.2% yield.

The bottom line

Rogers, Royal Bank, and Fortis are top-quality companies with growing revenue and strong positions in their respective industries. An equal investment in all three would be a good start to building a balanced buy-and-hold TFSA retirement portfolio.

CATEGORY

1. Dividend Stocks
2. Investing
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2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:RY (Royal Bank of Canada)
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Date

2025/08/21

Date Created

2018/10/24

Author

aswalker

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