



## RRSP Investors: Should You Buy Sun Life Financial Inc. (TSX:SLF) or Suncor Energy Inc. (TSX:SU) Stock Today?

### Description

Falling oil prices and a pullback in the broader equity markets are hitting stocks across the board.

The correction was arguably overdue, and while some people might be getting nervous, others are using the dip to add [top-quality companies](#) to their RRSP portfolios.

Let's take a look at **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) and **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) to see if one deserves to be on your buy list right now.

### Suncor

Suncor took advantage of the oil rout to add strategic assets at attractive prices. The nasty takeover battle for Canadian Oil Sands received the most attention, but Suncor succeeded in its effort and now owns a majority interest in Syncrude. Suncor also increased or initiated positions in other partnerships, including the recently completed Fort Hills oil sands facility and an offshore development in Norway.

The recovery in the oil market has had a positive impact on cash flow, and that should continue as production ramps up at key assets, including Fort Hills and the Hebron project in the Atlantic.

Suncor's other businesses include four large refineries and a network of more than 1,500 Petro-Canada retail locations. These assets help smooth out the revenue stream and provide a nice hedge against lower oil prices.

Suncor raised its dividend by 12.5% in 2018, and more gains should be on the way in the coming years. At the time of writing, investors can pick up a 3.2% [yield](#).

The stock is down from \$55 per share in July to \$45.

### Sun Life Financial

Sun Life has insurance, asset management, and wealth management businesses in North America,

Europe, and Asia.

The Canadian and U.S. operations generate the bulk of the company's revenue and earnings, but the long-term growth engine will likely be the company's businesses in the Asian countries. Sun Life has a strong presence in India, China, Malaysia, Indonesia, Vietnam, and the Philippines. With the middle class expanding in these markets, Sun Life should benefit from rising demand for insurance and wealth management products.

At home, rising interest rates in Canada and the United States should boost investment returns, as Sun Life can obtain higher yields on the funds it has to set aside to cover potential claims.

The stock has pulled back from a 12-month high of \$56 to \$8 per share. Investors who buy today can pick up a yield of 3.9%.

### **Is one more attractive?**

Suncor and Sun Life should be solid picks for a buy-and-hold retirement portfolio.

The two stocks appear oversold and investors can get nice exposure to Canada and international markets through the two companies. At this point, I would probably split a new investment between Sun Life and Suncor.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

### **TICKERS GLOBAL**

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:SU (Suncor Energy Inc.)

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