



## RRSP Investors: 3 Unloved TSX Index Stocks That Could Soar In 2019

### Description

October was an ugly month for the TSX, but savvy investors know that corrections are a part of the long-term cycle and tend to provide opportunities to buy [top-quality stocks](#) at reasonable prices.

Let's take a look at three Canadian companies that could deliver solid returns through the end of this year and into 2019.

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

The Canadian and U.S. economies are rolling along at a healthy clip. Unemployment is low, and while inflation is starting to appear, the Federal Reserve and the Bank of Canada are raising rates to keep things in check.

Higher interest rates are a risk for some homeowners who have binged on cheap debt and might not be able to cover increased payments when the time comes to renew their mortgages. This could result in rising defaults, especially in Canada, but Royal Bank and its peers should be able to ride out a downturn. Overall, rising rates tend to be good for bank profits.

Investors could see additional acquisitions in the United States in the coming years to build on Royal Bank's US\$5 billion purchase of City National in late 2015. Management is targeting earnings growth of 7-10% per year over the medium term, and strategic takeovers could fuel even better results.

The stock has already started to recover from the recent sell-off, but still looks attractive for a buy-and-hold RRSP portfolio. Investors who buy today can pick up a 4% [yield](#).

#### Suncor ([TSX:SU](#))([NYSE:SU](#))

Suncor is Canada's largest integrated energy company with production, refining, and retail divisions. The diversified revenue stream gives investors a hedge against volatility in the oil market, and Suncor does a good job of using its strong balance sheet to add new assets when the sector undergoes tough times.

The recovery in oil prices has occurred just as Suncor completed two major development projects. The added production from Fort Hills and Hebron, in addition to the increased stakes in other assets, such as Syncrude, put Suncor in a good spot.

The company raised the dividend by 12.5% in 2018, and investors should see another big increase in 2019. Oil prices could jump significantly next year as U.S. sanctions against Iran start to hit global supply. Even if oil stays at its current level, Suncor stands to generate some significant cash flow.

The 20% pullback in the stock from the summer high appears overdone.

### **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#))

Nutrien is wrapping up its first full year of existence after being created through the merger of Potash Corp and Agrium. The company is already achieving run-rate synergies that are much better than expected, or at least publicly anticipated, and the trend is expected to continue in 2019.

Potash, nitrogen, and phosphate prices are improving, and demand for crop nutrients should increase in the years to come as farmers try to produce enough food to feed more people and livestock using less land.

The stock has dropped below \$70 per share from the August high above \$76. Investors might want to take advantage of the pullback before the Q3 numbers come out.

### **The bottom line**

Royal Bank, Suncor, and Nutrien are all leaders in their respective industries and should be solid picks for RRSP portfolios. If you have some cash available, the recent pullback might be a good opportunity to start a new position in these stocks.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

### **TICKERS GLOBAL**

1. NYSE:NTR (Nutrien)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:NTR (Nutrien)
5. TSX:RY (Royal Bank of Canada)
6. TSX:SU (Suncor Energy Inc.)

### **PARTNER-FEEDS**

1. Msn

2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

### Date

2025/08/21

### Date Created

2018/10/31

### Author

aswalker

default watermark

default watermark