Place Your Bets on These Discount Blue-Chip Stocks

Description

I'll be the first to admit that a volatile market can be exciting. The past year has seen some incredible opportunities to make some quick and easy cash. But it's important to remember that while this is an exciting time, it's also a dangerous one.

That's why it's important to put your faith in time-tested blue-chip stocks. While you might not see the jumps of a **Canopy Growth Corp**, you'll certainly see a steady increase for years to come from these two stable stocks.

Royal Bank of Canada

Stable doesn't have to be boring, and the **Royal Bank of Canada** (TSX:RY)(NYSE:RY) proved that with its latest Q4 results. RBC reported a record net income of $12.431 billion, up 8% from last year. The Toronto-based bank also reported record revenue, delivering $43 billion for the first time in the company's 154-year history. For investors, this quarter translated to net income of $3.25 billion or $2.20 per diluted share, up from $1.88 a year ago.

These latest quarterly earnings beat analyst expectations, but they're not all that surprising. Rising interest rates, U.S. tax reforms and strong performances in its personal and commercial banking, capital markets, wealth management and insurance all contributed to these record-setting numbers.

Investors wondering if RBC can keep up the pace will be happy to hear the Canadian bank has recently expanded into the U.S. This should provide even more high-margin growth for one of Canada's biggest banks. RBC also announced the release of its new digital investment service, InvestEase. The program gives investment portfolio recommendations online after a short questionnaire, and automatically monitors and rebalances throughout the year.

Despite these recent announcements, RBC is still trading well below its fair value estimate at around $98 per share. This makes it a strong buy for investors looking to take advantage before RBC continues its slow and steady increase.

Canadian National Railway

If you're looking for another investment that offers diversity, you don't have to go to another big bank. **Canadian National Railway Company** (TSX:CNR)(NYSE:CNI) ships everything from coal and petroleum to grain and cars across its expansive North American rail network.

Canada's strong economy has been good to CNR, with more goods being transported across Canada and the United States. For years CNR has remained the predominate railroad in Canada, despite numerous attempts by competitors to merge and overtake the company. Investors should be thrilled because this suggests CNR isn't going anywhere.

In fact, the railway company seems to only get more opportunities. The Alberta government announced recently it would push the Canadian government to share the cost of purchasing rail cars to move an additional 120,000 barrels of crude oil per day. The move would help Western Canadian oil producers move oil and bring up the record-low prices seen at the gas tank.

The latest news from Alberta has the stock trading at about $113 when this article was written, which is about $10 higher than its fair value estimate. However, its shares haven't been that low since May of this year. The railway's stock has grown by nearly 90% in the last five years, and almost 10% year-to-date. CNR's Q3 results were also promising with net income rising by 18% to $1.13 billion, a 42% profit margin and a 35% return on equity. With numbers this good, investors can hop on and enjoy the ride.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date
2025/08/25
Date Created
2018/12/01
Author

alegatewolfe