



RRSP Investors: 3 Great Stocks to Buy Today and Never Sell

Description

Bay Street doesn't want you to know this, but it's really not that hard to build a massive RRSP.

All you really need to do is save consistently, avoid withdrawing the cash at the wrong time, and put your money to work in Canada's best companies.

Unfortunately, choosing the cream of the crop is often easier said than done, especially for rookie investors. How does one differentiate between a great business and a crummy one? What qualities separate the best from the rest? And when exactly is the right time to buy these great companies, anyway?

We can help. Here are three great stocks you should be adding to your RRSP today.

TD Bank

Conquering Canada wasn't enough for **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). The company is shifting its ambitions stateside in an attempt to build a true North American powerhouse.

TD has been in the United States since the mid-1990s. These days the company has more than 1,200 branches with a presence in the entire east coast of the country. The U.S. operations boast nearly \$200 billion in total loans outstanding and some nine million customers. Approximately 30% of earnings come from the U.S. retail business.

Growth going forward will be partially driven by converting branch customers into online users. We're just seeing the tip of the iceberg here; technological advancements will help with everything from increasing staff efficiency to upselling existing customers into new products.

This all translates into fantastic dividend growth. Since 1998, TD has grown its annual payout 11% per year, increasing the annual dividend from \$0.33 per share to \$2.68. The current yield is 4% — the first time it's been that high since early 2016.

BCE

One thing long-term investors should focus on is finding companies with a sustainable competitive advantage. If a billionaire showed up with a big briefcase full of cash and tried to disrupt the business, how much damage could they do?

With **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), the chaos would be pretty minimal. To really make a dent in the wireless space would be extremely difficult, since it would take years to amass enough spectrum to even enter the market. Rather than fight against a giant, most companies simply choose not to bother.

BCE's other divisions come with decent advantages, too. The company has spent billions laying fibre-optic cable across eastern Canada, and although some of us are cutting the cable cord, BCE still gets us when we buy its internet access. And the media division — which owns some of Canada's top TV channels and portions of major sports teams — just keeps on chugging along.

Investors looking for big growth will be disappointed with BCE. It's a mature company. But with a 5.6% dividend yield, all a shareholder needs is 3-4% annual growth for the investment to perform well.

Enbridge

My **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) investment thesis is as simple as it is powerful.

If the pipeline-building process continues to border on the impossible here in Canada, then the existing infrastructure worth more.

The company is still finding plenty of growth projects, even if Canada is basically closed for business. It merged with Spectra Energy, which created North America's largest energy services giant. It's adding wind power-generation assets. Worn-out pipelines are being replaced and expanded. And the company is adding infrastructure to serve oil producers operating in the southern United States.

These assets generate earnings that seem to get better every year. Enbridge's management has committed to passing on these profits to shareholders in the form of higher dividends. It recently announced a 10% dividend increase for 2019 — a move that bumped the forward yield of the stock all the way up to 7.1%.

The bottom line

Investors today are in a lucky spot. Great stocks like TD Bank, BCE, and Enbridge are on sale. All three of these names are down substantially from recent highs. It's a great time to add them to your RRSP today, with an ideal holding period of forever.

CATEGORY

1. Bank Stocks
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3. Energy Stocks

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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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