



2 Growth Stocks for Young Investors to Stash in an RRSP

Description

The S&P/TSX Composite Index rose 70 points on January 15. The TSX index has now climbed 5% in 2019 after dropping double digits percentage-wise in 2018. This solid start to 2019 should serve as a reminder to young investors to stay in the market during turbulent periods.

Young investors may get tired of hearing about the importance of investing early and often, but it is always worth reiteration. Those of you who are preparing to purchase a home can withdraw as much as \$25,000 from an [RRSP](#) without a penalty. When [millennials have been polled](#), the pressures of saving up for a home have proven to be one of the biggest hurdles to investing.

Today, we are going to look at two stocks that are worth stacking in an RRSP for a younger investor. Both boast attractive long-term growth prospects and offer income.

TMX Group ([TSX:X](#))

TMX Group is a Toronto-based company that operates cash and derivatives markets for equities, fixed income, energy, and other asset classes. Shares have climbed 3.6% in 2019 as of close on January 15. The stock is up 1.1% year over year.

TMX Group is expected to release its fourth-quarter and full-year results for 2018 in early February. In Q3 2018, adjusted diluted earnings per share rose 12% year over year to \$1.19 and revenue increased 27% to \$192.8 million. TMX Group reported growth in all business segments in the quarter. For the first nine months of 2018, TMX Group has posted a 22% increase in revenues to \$609.5 million and a 28% increase in cash flows to \$278.7 million.

TMX Group last paid out a quarterly dividend of \$0.58 per share, which represents a 3% yield. Shares have climbed 97% over the past three years. TMX Group offers top-shelf growth and solid income for RRSP investors.

Badger Daylighting (TSX:BAD)

Badger Daylighting is a Calgary-based company that provides hydrovac excavation services based on the Badger Hydrovac System. Shares of Badger have climbed 11% in 2019 so far. The stock is up 35% year over year.

Badger is expected to release its fourth-quarter and full-year results in late March. In the third quarter, the company posted revenue of \$168.7 million, which was up 20% from the prior year. The company reported a 27% increase in its U.S.-based revenue in the first nine months of 2018 after posting 32% growth in 2017. Badger projects that its adjusted EBITDA will be in a range of \$150-160 million in 2018 and \$170-190 million in 2019. This falls within its strategic adjusted EBITDA growth target of at least 15% per year.

Badger last paid out a monthly dividend of \$0.045 per share, which represents a modest 1.4% yield. Shares were at an RSI of 74 as of close on January 15, indicating that the stock is overbought past the midway point this month. Badger is a fantastic long-term hold, but new investors may want to await a pullback to avoid paying a premium at current levels.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
2. TSX:X (TMX Group)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/08/26

Date Created

2019/01/16

Author

aocallaghan

default watermark