



RRSP Investors: 2 Top TSX Index Stocks to Own for 2 Decades

Description

The arrival of RRSP season has Canadian investors searching for reliable companies to add to their self-directed RRSP portfolios.

Let's take a look at two stocks that might be interesting buys today.

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

Nutrien just celebrated its first full year on the TSX Index, but the business is by no means a newcomer.

Nutrien was formed through the merger of Potash Corp. and Agrium. Given the existing partnership in Canpotex, the marketing company that sells potash on wholesale contracts to countries worldwide, the merger made sense. Weak fertilizer prices also helped drive the two companies together, and investors should see strong benefits in the coming years.

Potash, nitrogen, and phosphate markets appear to have bottomed. As prices rise, Nutrien has the potential to generate significant free cash flow. The company is well ahead of its efficiency targets as a result of the integration of the two former fertilizer giants, and more synergies are on the way.

In addition, the company is ramping up its expansion in the global retail segment, which was a part of Agrium. Nutrien acquired additional retail businesses last year and more consolidation is expected in the industry. The retail group sells seed and crop protection products to farmers.

Nutrien raised the dividend by 7.5% for 2019, and investors should see steady increases in the distribution as the global crop nutrients market continues to grow. The stock provides a yield of 3.5% at the time of writing.

TC Energy ([TSX:TRP](#))([NYSE:TRP](#))

TC Energy is the new name for TransCanada. The company decided to make the change to better reflect the fact that its businesses extend far beyond the Canadian border.

TC Energy spent US\$13 billion in 2016 to acquire Columbia Pipeline Group in a deal that added strategic natural gas assets in the United States, including pipeline infrastructure that runs from New York State to the Gulf Coast. TC Energy also has extensive projects and assets in Mexico.

The \$36 billion portfolio of secured growth projects spans pipeline and power generation segments. As new assets are completed and go into operation the company anticipates cash flow to grow enough to support annual dividend increases of at least 8% through 2021.

The stock currently trades for \$54.40 per share, compared to \$60 a year ago. At this level it appears cheap, given the strong growth outlook.

Investors who buy the stock today can pick up a yield of 5%.

The bottom line

Nutrien and TC Energy are leaders in their industries and should be solid-buy-and-hold picks for self-directed RRSP investors.

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