



Should You Buy Nutrien Ltd. (TSX:NTR) or Royal Bank of Canada (TSX:RY) Stock for Your RRSP?

Description

Canadians can put money in their RRSP accounts at any time in the year, and many advisors recommend following a program of adding small amounts on a monthly basis.

The strategy is great for those who have reliable and steady incomes. Other people, who either receive big bonuses at the end of the year or are more comfortable waiting to see where they stand come January often make large lump sum payments right before the annual deadline.

Regardless of the method employed, this time of year tends to be an active one for RRSP investing. Savers are searching for top stocks to buy inside their [self-directed RRSP](#) portfolios.

The pullback in the market served up some interesting opportunities last month, and while the recovery has reclaimed much of the losses, a number of companies might still have room to run.

Let's take a look at **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) and **Royal Bank** ([TSX:RY](#))([NYSE:RY](#)) to see if one might be attractive right now.

Nutrien

Nutrien is a major player in the global crop nutrients market. The company produces and sells potash, nitrogen, and phosphate to countries around the world on large wholesale orders. The downturn that hit the market for several years appears to be over, as both China and India signed new potash delivery contracts for higher prices last year.

Nutrien also has a retail division that sells seed and crop protection products to farmers. This sector is going through a period of consolidation and Nutrien has the scale and financial firepower to take advantage of tuck-in acquisitions that become available.

Nutrien raised its dividend by 7.5% for 2019 and steady dividend growth should continue in the coming years. The stock is up to \$68 from the December low near \$60 per share but is still well off the 2018

high near \$76.

Royal Bank

Royal Bank is a profit machine, generating roughly \$1 billion in earnings per month. The number might sound a bit staggering, but the bank is a giant in the Canadian and global financial sectors with a market capitalization of more than \$140 billion.

Growth can be a challenge for big companies, but Royal Bank continues to find ways to make more money. Management spent US\$5 billion in late 2015 to acquire California-based City National. The deal added a solid presence in the U.S. market providing services to high-net-worth individuals and investors could see additional purchases in the segment in the coming years.

Overall, Royal Bank anticipates ongoing earnings-per-share growth of 7-10% per year over the medium term. As a result, investors should see the dividend continue to rise at a similar rate.

The stock is up 10% since December 24, but could run another 10% higher in the coming months as investors take advantage of an opportunity to buy Royal Bank at a reasonable price.

The dividend provides a [yield](#) of 4.8%.

Is one more attractive?

A month ago, I would have made Royal Bank the first pick, but at this point I would probably split a new investment between the two stocks.

Looking for more opportunities?

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