



3 Top TSX Index Stocks for Your Self-Directed RRSP

Description

The RRSP contribution deadline for the 2018 tax year is fast approaching, and investors are searching for attractive stocks put inside their retirement portfolios.

Let's take a look at three companies that might be interesting buy-and-hold [RRSP picks](#) today.

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

Nutrien plays a key role in the global struggle to boost sustainable food production. The company is the planet's largest supplier of crop nutrients, selling and distributing more than 26 million tonnes of potash, nitrogen, and phosphate to countries and farmers around the globe.

In addition, the retail division provides seed and crop protection products to crop producers. The retail group continues to grow, as Nutrien makes strategic tuck-in acquisitions. The latest is the US\$340 million purchase of Actagro, a manufacturer and marketer of soil and plant health products.

Nutrien raised its dividend by 7.5% for 2019, supported by improving fertilizer prices and growing demand. The stock has bounced off the December low near \$60 per share but still appears attractive at the current price of \$68.50. If the Q4 2018 report comes out stronger than expected, the stock could quickly retest the 2018 high above \$76.

Investors who buy today can pick up a dividend [yield](#) of 3.4%.

Telus ([TSX:T](#))([NYSE:TU](#))

Telus works hard to ensure it provides industry-leading customer service, and the effort appears to be paying off. The company regularly reports the lowest postpaid mobile churn rate in the sector and continues to add new TV, internet, and mobile customers at a healthy rate.

The dividend normally gets a boost twice per year for a total average gain of about 10%. Telus is past

the peak of a major capital program, and that should mean higher free cash flow numbers to support ongoing dividend increases. In fact, free cash flow rose 41% in Q3 2018 compared to the same period the previous year.

The stock tends to hold up well when the broader index takes a hit, which is nice for investors who simply want to buy the shares and forget about them for a couple of decades. At the time of writing, the dividend provides a yield of 4.7%.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#))

Bank of Nova Scotia is a bit unique in the Canadian banking sector. The company has invested billions of dollars over the past decade to build a large presence in Latin America. The strategy is paying off as earnings growth in the international division is outpacing the Canadian operations.

The Latin American operations are primarily located in the Pacific Alliance countries — Mexico, Peru, Chile, and Colombia. Combined, the markets are home to more than 200 million consumers. Economic development in the region should result in an expanded middle class, and Bank of Nova Scotia's strong presence in all four countries positions it well to benefit from growing retail and commercial demand for loans, investments, and cash-management services.

The stock is off the 2018 low but still looks cheap. Investors who buy today can pick up a dividend yield of 4.6%.

The bottom line

Nutrien, Telus, and Bank of Nova Scotia are all solid companies with growing revenue and rising dividends. An equal investment in the three stocks would provide a strong base for a balanced RRSP portfolio.

Other interesting opportunities are also worth considering right now.

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