



## 3 Canadian Stocks as Good As Gold Bullion in an RRSP

### Description

So you want TSX index stocks that will set you up for years to come? Just right for an RRSP or other retirement savings plan, stocks like the following three popular choices offer retirement investors some solid gold routes to [defensive dividends](#). Take a look at the stats as we delve into today's hottest retirement stock picks.

#### **Suncor Energy** ([TSX:SU](#))(NYSE:SU)

Towering over the Canadian investment landscape, Suncor Energy is one of the hard core of stocks on the TSX index that the newcomer to defensive portfolio management is almost certain to consider before any other. Up 1.04% in the last five days, it's not the fastest moving stock on the TSX index at present, though careful reading of its data shows why it's a solid buy for an RRSP.

Its P/B of 1.5 times book is a market-weight valuation, (though it should be noted that the market itself exceeds the Canadian oil and gas average of 0.8 times book); meanwhile, a dividend yield of 3.92% combined with a 20.2% expected annual rise in earnings gives a handful of reasons why Suncor Energy is a solid choice for a retirement savings plan.

#### **Fortis** ([TSX:FTS](#))(NYSE:FTS)

Up 1.97% in the last five days, it would appear that investors are seeking [defensive positions](#) at the moment in TSX index giants such as Fortis – and well they might with the sheer amount of troubling economic factors clouding the investment horizon at present.

Fortis had a challenging year by the look of that one-year past earnings loss of -4.4%. However, the past five years have been positive on average, with an earnings growth of 24.7%. There are more reasons to buy: a modest amount of inside buying in the last three months seems to back up the idea that investors are seeking defensive positions at the moment, and a decent dividend yield of 3.77% is on offer.

#### **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD)

Up 4.27% in the last five days, it would seem that as the annual pinch comes for RRSP investors, popularity in this precious metals stock has risen. Whether a positive correlation can indeed be drawn between Barrick Gold's rising share price and the onset of RRSP season would be an interesting subject for some thorough data analysis; meanwhile, as a tentative hypothesis, it's certainly tempting.

Plenty of inside buying over the last 12 months, and most importantly within the last three months specifically shows that this TSX index mining favourite is riding high on insider confidence. A dividend yield of 1.18% may be low, but not for a mining stock, among which sector dividends are almost as rare as the materials they mine. A high 98.4% expected annual growth in earnings compounds the reasons to buy.

### **The bottom line**

Barrick Gold's P/B ratio of 1.8 times book is a few decimal points above the TSX index average, and as such, it's up to value investors to decide whether a midway point between market-weight and almost double the per-asset valuation is acceptable when it comes to taking a potential long-term position. Aside from this, the gold stock looks like a solid choice for inclusion in an RRSP, and a worthy addition alongside either of the energy stocks.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks
5. Stocks for Beginners

### **TICKERS GLOBAL**

1. NYSE:B (Barrick Mining)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:ABX (Barrick Mining)
5. TSX:FTS (Fortis Inc.)
6. TSX:SU (Suncor Energy Inc.)

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