



RRSP Investors: 2 Stocks to Ride Global Growth to Retirement Wealth

Description

Canadian savers are searching for quality stocks to add to their self-directed [RRSP](#) portfolios in a bid to build a substantial nest egg for their golden years.

Let's take a look at two companies that might be interesting picks right now.

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

Nutrien might be a relatively new name for investors, but followers of the company's predecessors are well versed in the opportunities that the business has for growth over the coming decades.

Nutrien began trading in early 2018 after Potash Corp. and Agrium Inc. completed their merger. The combined company is a giant in the global fertilizer industry with world-class potash, nitrogen, and phosphate production facilities, as well as Agrium's retail seed and crop protection business.

Fertilizer prices are recovering after a multi-year slump and that bodes well for Nutrien investors. The company has the potential to be a free cash flow machine as margins improve and Nutrien continues to see efficiency gains. Run-rate synergies are expected to hit US\$600 million in 2019.

The board raised the dividend by 7.5% for 2019 and ongoing increases should be in the cards. Adjusted earnings are targeted at US\$2.80-3.20 per share in 2019, well ahead of the US\$2.69 generated last year. The current payout provides a [yield](#) of 3.3%.

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

Bank of Nova Scotia is betting big on middle-class growth in Latin America. The company has invested billions of dollars to acquire banks and credit card portfolios in Mexico, Peru, Chile, and Colombia in a bid to be a major player in the four Pacific Alliance countries that are home to a total of more than 200 million consumers.

The international operations already account for about 30% of Bank of Nova Scotia's adjusted profits and that should increase as growth in the target countries outpaces more developed markets.

Bank of Nova Scotia is also finding opportunities at home. The company made two major wealth management acquisitions last year with the purchases of Jarislowsky Fraser and MD Financial Management, adding nearly \$90 billion in assets under management.

The bank has a strong track record of dividend growth and that should continue. The current quarterly payout of \$0.87 per share provides an annualized yield of 4.8%. The stock is trading at less than 11 times trailing 12-month earnings right now, so it might be a good time to pick up the shares. The company's larger Canadian peers trade at multiples that are closer to 12.5 times.

The bottom line

Nutrien and Bank of Nova Scotia should be solid buy-and-hold picks for a self-directed RRSP portfolio. Ongoing dividend growth is expected at both companies and the stocks appear attractively priced today, given the long-term opportunities.

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2. NYSE:NTR (Nutrien)
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