



## RRSP Investors: 2 Top Canadian Stocks That Look Oversold Today

### Description

Buying top-quality stocks when they're out of favour can help investors boost the long-term growth of their self-directed RRSP portfolios.

Let's take a look at two companies that might be good additions to your [buy list](#) right now.

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

Nutrien traded for more than \$76 per share last August. Today investors can pick it up for \$68. The interesting thing is that the outlook for the company's earnings hasn't changed. In fact, Nutrien expects to earn US\$2.80-\$3.20 per share in 2019 compared to the US\$2.69 it reported last year.

In the fall, the board raised the dividend by 7.5% for 2019. The company just announced another dividend hike, taking the total increase to 12.5% compared to the 2018 payout. This should be a good indication to investors that management expects revenue and cash flow to be solid through the end of 2019 and into 2020.

Potash prices have improved and the long-term demand outlook for crop nutrients is positive. Studies suggest that global farmers will have to feed 10 billion people by 2050 compared to the current population of about 7.7 billion.

Fears of a trade war might be part of the reason the stock is down, but the dip appears overdone. Investors who buy Nutrien today can pick up a [yield](#) of 3.4%.

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

Bank of Nova Scotia traded for more than \$84 per share in late 2017. Right now investors can pick up Canada's third-largest bank for less than \$70 per share. At this price, the stock is trading at close to 10 times trailing earnings, a big discount compared to its two larger domestic peers.

The bank is working through the integration of three big acquisitions, and earnings have come in below analyst expectations for a few quarters, but the long-term opportunity should be attractive for investors.

Bank of Nova Scotia has invested billions of dollars to build up a large Latin American presence with a focus on Mexico, Peru, Chile, and Colombia. The bank now gets more than 30% of its profits from the international operations and the growth potential in market is significant.

Fears surrounding housing risks and record levels of personal debt in Canada have some merit. If the global economy rolls over, Canada will also feel the pain, but the bank's stock is currently priced as if the market were expecting another financial crisis, and at the moment, that's not where most analysts see things headed.

The Canadian economy is still in good shape and people have jobs, so the bank should continue to post solid earnings results, even if they are a bit lower than analysts expect.

Bank of Nova Scotia's dividend currently provides a yield of 5%.

## The bottom line

Buying top-quality stocks when they are down can help RRSP investors reach their long-term portfolio goals. Nutrien and Bank of Nova Scotia appear oversold right now and offer decent dividends while you wait for better days.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:NTR (Nutrien)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:NTR (Nutrien)

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