



Retire Rich With These 2 Wealth-Building Stocks

Description

The best way to enjoy a fruitful retirement is to be invested in the markets. Investors as young as 18 years of age are eligible to start contributing to both their Tax-Free Savings Accounts (TFSA) and Registered Retirement Savings Plans (RRSP).

Over the past 10 years, the TSX has averaged 7.8% annual growth. Astute and well-educated investors know that they don't have to take big risks to top this average. In fact, you can build wealth by selecting high-quality stocks that are poised to outperform the market.

Two such stocks are **Aecon Group** ([TSX:ARE](#)) and **WSP Global** ([TSX:WSP](#)). These [engineering and construction companies](#) stand to benefit from a healthy and growing economy. As the **TSX** goes, so too will these industrials.

Top growth stocks

WSP Global has been a star in the making. Its stock price has returned 20% on average over the past five years for a total return of 100%. Looking forward, expect growth to accelerate. Analysts expect earnings to grow at a compound annual growth rate of 27% over the next five years.

On the other hand, Aecon Group has had a difficult go of it. The company was caught up in a failed takeover bid by a Chinese-backed firm. Its growth was stunted as it was stuck in neutral waiting for the Feds to rule on the acquisition.

The good news is that the failed takeover attempt is firmly in the rear-view mirror. Free of the shackles imposed by the deal, it has returned to being a well-managed company that generates [significant cash flows](#). The expectation is for earnings growth in the mid-teens over the next few years.

Top value stocks

One of the best ways to build wealth is to invest in stocks that provide excellent value. WSP Global and

Aecon Group are both trading at a discount to historical averages (P/E, P/B and P/S).

Likewise, WSP is trading at a cheap 17 times forward earnings, while Aecon Group is trading at only 15.5 times next years earnings. WSP is trading a P/E to growth (PEG) ratio of only 0.73, which implies that its share price is not keeping up with expected growth rates. For its part, Aecon Group is trading a PEG just above one (1.18) — still an excellent valuation and well below the industry average of 1.6.

Analysts are also bullish on both these construction and engineering firms. Aecon is a unanimous *buy* with a one year price target of \$23.66, which implies 23% upside. WSP Global also as a average buy rating and 14% upside based on its one-year price target of \$80.79 per share.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ARE (Aecon Group Inc.)
2. TSX:WSP (WSP Global)

PARTNER-FEEDS

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