



RRSP Investors: 2 Top TSX Index Stocks to Build Wealth

Description

The **TSX** Index is home to many companies that have generated solid and reliable returns for investors and should continue to be attractive picks.

Let's take a look at two companies that might be attractive for your [RRSP buy list](#) today.

CN

Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#)) is an essential component of the Canadian and U.S. economies, transporting everything from cars, coal and crude oil to lumber, fertilizer, and finished goods.

CN does a good job of balancing investment in new assets, such as locomotives and rail cars, with capital spending on network upgrades and new technology to help the business run efficiently.

At the same time, the board makes sure that investors get their share of the profits. CN has one of the best dividend growth track records in the [TSX Index](#), with a compound annual dividend growth rate of about 16% over the past 20 years.

CN just reported record Q2 results, and the railway operator should be a solid long-term pick to play economic growth in Canada and the United States. The company enjoys a wide competitive moat with no risk of new rail lines being built along existing routes.

Consolidation is possible, but past attempts to merge railways have failed due to competition concerns.

The share price is up from \$72 five years ago to \$123 at the time of writing.

Waste Connections

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#)) operates garbage and recycling collection, transfer, and disposal services for municipalities and commercial clients in Canada and the United States. The

business continues to grow, primarily through acquisitions as the fragmented industry consolidates.

The company generates solid free cash flow, raising the dividend by 14% last year. Investors should see a generous hike this year and strong increases to the payout going forward.

The waste business might not be overly exciting, but is as close to being a recession-proof play as you'll find, making Waste Connections a good pick to balance out other holding in the RRSP that might be more at risk in an economic downturn.

The stock has increased from \$38 to \$124 in the past five years.

The bottom line

CN and Waste Connections are top players in their respective industries, providing investors with good exposure to both Canada and the U.S. through Canadian stocks. The companies are managed well, offer above-average dividend growth, and continue to deliver strong earnings supported by rising revenues.

CATEGORY

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TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:WCN (Waste Connections)
3. TSX:CNR (Canadian National Railway Company)
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