



3 Top Stocks to Start Your Self-Directed Retirement Fund

Description

The pullback in the TSX Index is giving investors an opportunity to buy top-quality [stocks](#) at attractive prices.

Let's take a look at three Canadian leaders that might be interesting picks to launch your self-directed portfolio today.

Royal Bank

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest company with a market capitalization of \$145 billion.

The banking sector is evolving, as people become more comfortable using their mobile phones to make payments for purchases or manage their investments. New entrants are nibbling away at some of the revenue streams the banks has enjoyed, and that means the financial institutions have to innovate.

Royal Bank has the clout to make the significant investments in digital products and platforms needed to ensure it remains competitive.

The bank is targeting earnings-per-share growth of 7-10% over the medium term. That should provide support for ongoing dividend hikes in the same range. The current payout offers a [yield](#) of 4%.

At the time of writing, the stock is down to \$100 per share compared to \$107 in April. Investors should view any additional weakness from the current price as a buying opportunity.

Barrick Gold

Advisors often recommend having some gold exposure in a balanced portfolio. The sector had a rough run from 2011-2018, but a recovery appears to be underway. Gold has increased from US\$1,200 last

fall to the recent high above US\$1,500 per ounce.

Gold stocks have started to move higher, but many still appear cheap. **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) trades near \$24 today but was \$29 three years ago when gold was 10% lower than the current price.

The company is in better financial shape after aggressively reducing debt, and the recent merger with Randgold Resources has created a giant with five of the top 10 mines on the planet.

The gold rally is picking up steam, and we could see a run to the previous highs around US\$1,900 per ounce. Even if gold remains at today's price, Barrick Gold should trade higher than its current level.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is a major player in the Canadian communications sector with world-class wireless and wireline networks providing customers across the country with mobile, internet, and TV services.

Telus also has a growing health division that could be a significant driver of revenue growth in the future. Telus Health is already a leader in the emerging segment for digital solutions to help doctors, hospitals, and insurance companies manage information in a more efficient manner.

The stock is down to \$47 from \$51 in June. At this price, investors can pick up a solid 4.8% yield and expect to see annual dividend increases in the 5-10% range.

The bottom line

Royal Bank, Barrick Gold, and Telus are all leaders in their industries and should be attractive picks to day to start a balanced retirement portfolio.

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2. NYSE:RY (Royal Bank of Canada)
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4. TSX:ABX (Barrick Mining)
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Author

aswalker

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