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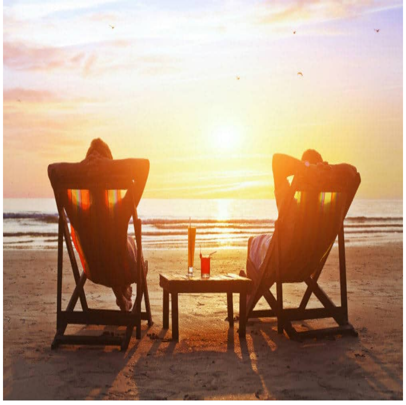

3 Super Stocks for RRSP Retirement Savers

Description

If you're saving for retirement, it pays to get as much money as possible into RRSPs.

Not only will RRSP contributions give you a tax break in the year you contribute, but they'll also let you purchase investments and watch them grow tax-free. While you do pay taxes on RRSP withdrawals, you'll save net-tax if you're in a low tax bracket when you retire.

However, simply having an RRSP isn't enough. In addition to having one, you also need to make sure you're picking the right investments in it. Since you need to keep your money in an RRSP for a long time (ideally until you're no longer earning an income), it pays to take a slow and steady approach when investing in the account.

With that in mind, here are three stocks that align well with the goal of long-term RRSP investing.

Canadian National Railway

Canadian National Railway (TSX:CNR)(NYSE:CNI) is a railway company that ships freight across Canada and the United States. The company has access to three coasts, which gives it a broad service area no other North American railroad can match.

The company carries over 300 million tons of goods a year with over $3.5 billion in quarterly revenue.

Taking a big picture perspective, railways are good investments because they are by far the most cost-effective way to ship large amounts of goods on land.

While CN could lose some business if pipelines come on line, it could most likely make it up by shipping something else. Railways tend to grow with the economy, so if you think North America is going to keep booming, you should be a bull on CN Rail.

Zooming in on CN's performance: it has an ultra-low operating ratio of 57.5% (lower is better) and is growing revenue at about 11% year-over-year. These are strong metrics for such a mature company.

Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is one of Canada's biggest banks. It enjoys superior growth to its Big Six peers because of its vast and growing U.S. retail business, which is growing at 29% year over year.

The bank also has a huge investment in **TD Ameritrade**, which is growing earnings at 27% year-over-year.

These twin engines give TD a level of rocket fuel that the other Big Banks can't match, so it tends to outperform on growth, with earnings up about 9% in its most recent quarter. The stock also pays a dividend that reliably increases year in and year out.

Fortis

Fortis Inc (TSX:FTS)(NYSE:FTS) is one of Canada's biggest utility companies. With a huge portfolio of North American and Caribbean utilities, it enjoys the enviable position of a heavily regulated and government-protected revenue stream.

In general, I'm less enthusiastic about Fortis than CN or TD. It's quite debt-addled, and has a somewhat erratic earnings history.

However, it's more recession-proof than either of the other two stocks mentioned in this article: as a utility, it can withstand even the worst economic downturns. The stock is also a dividend legend with an uninterrupted 45-year track record of payout increases.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:FTS (Fortis Inc.)
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