



3 Cheap Stocks to Boost RRSP Returns

Description

Canadians are using [self-directed RRSP](#) accounts to buy stocks as part of their overall retirement-planning process.

The strategy makes sense in an era where GIC returns barely cover inflation. In addition, many people are now self-employed or members of the gig economy, meaning they don't have generous company pensions to rely on when they decide to retire.

Owning a balanced portfolio of [top-quality stocks](#) has traditionally proven to be a profitable move, especially when the shares are held for a long time.

Let's take a look at three stocks that might be interesting RRSP picks today.

Nutrien

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) produces crop nutrient products such as potash, nitrogen, and phosphate. Farmers around the world rely on these fertilizers to help boost yields. This will become increasingly important in the next few decades as the global population is expected to rise 30% through 2050.

At the same time, farmers have less land available due to the expansion of cities into rural areas. Nutrien is the planet's leading potash supplier.

The company raised the dividend twice in the past year, and investors should see another increase in 2020, supported by higher anticipated profits in 2019 compared to 2018.

The current payout provides a yield of 3.4%. The stock trades at \$69, compared to its 12-month high near \$76 per share.

Barrick Gold

Investment advisors often recommend having gold exposure in your holdings. This wasn't a profitable move in recent years, but a turnaround has occurred in the past 12 months and pundits say the upward trend could run for years.

Why?

Falling interest rates and negative bond yields around the globe are providing support for gold. The precious metal is viewed as a safe haven in times of economic uncertainty and serves as a protector of capital for international investors who fear their currencies are going to plunge against the American dollar.

This has pushed the price of the yellow metal to six-year highs, and the current outlook suggests we might be at an opportune moment to buy gold stocks.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is a popular choice. The company is the planet's second-largest producer and has the capacity to generate significant free cash flow in the event gold extends its rally.

The stock has pulled back a bit in the past few trading sessions, giving new investors a chance to get in at a decent price after a strong rally that occurred through the summer.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))(NYSE:BNS) is an interesting pick among the Canadian banks.

The company has spent billions of dollars to build a large presence in Latin America with a specific focus on Peru, Chile, Colombia, and Mexico. The four countries are the heart of the Pacific Alliance trade bloc, which is home to more than 230 million consumers.

As the middle class grows in these countries, Bank of Nova Scotia should benefit from rising demand for loans and investment products. The international operations already account for roughly 30% of Bank of Nova Scotia's profits.

The company recently reported solid results for fiscal Q3 2019 and raised the dividend. Investors who buy the stock today can pick up an attractive 4.8% yield.

The stock is moving higher after an extended slide, but it still trades at a cheap multiple.

The bottom line

Nutrien, Barrick Gold, and Bank of Nova Scotia should be good long-term bets for RRSP investors and all appear reasonably priced today. An equal investment across the three stocks would provide exposure to a number of industries and international markets.

If you only buy one, I would probably make Bank of Nova Scotia the first choice right now.

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TICKERS GLOBAL

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2. NYSE:BNS (The Bank of Nova Scotia)
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4. TSX:ABX (Barrick Mining)
5. TSX:BNS (Bank Of Nova Scotia)
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