



## Young RRSP Investors: 2 Stocks to Help You Retire Wealthy

### Description

Young Canadian investors are facing retirement challenges.

Why?

Finding a good full-time job right out of college or university is not as easy as it was 20 years ago, as companies are less willing to spend the time and money to train people and prefer to hire more workers on contract. The gig economy has also expanded, meaning that more people are effectively self-employed, with no benefits.

When a full-time opportunity emerges, the benefits can vary significantly. Defined-benefit pension plans are becoming rare, and while defined-contribution plans can be generous, they shift risk from the company to the employee, as the payouts on retirement depend on the performance of the fund.

This is forcing Canadians to take more control of their retirement planning.

One popular strategy is to own top [dividend stocks](#) inside a self-directed RRSP and use the distributions to buy additional shares. Over time, the compounding process can create a substantial retirement fund and you can use the contributions to reduce your taxable income today.

Let's take a look at two stocks that might be interesting [RRSP picks](#) right now.

### Nutrien

Nutrien is the planet's largest supplier of potash. It's also a leading provider of nitrogen and phosphate. These commodities are all essential crop nutrients used by farmers to improve food production on their land.

Wholesale potash orders are negotiated each year with countries worldwide. China and India often set the bar for prices based on the agreements they secure with Nutrien's marketing company Canpotex, and its competitors. Potash prices have improved in the past two years after experiencing an extended

downturn.

Demand and global shipments are increasing, a trend that's expected to continue as the world population is forecast to grow nearly 30% in the next 30 years.

Nutrien also has a retail division that sells seed and crop protection products to farmers. The business is growing through strategic acquisitions and Nutrien is investing in the development of digital solutions to help its customers manage their overall operations.

The fertilizer market undergo through periods of volatility, as has occurred in 2019 with record rainfall during the U.S. planting season affecting orders, but the long-term outlook for Nutrien is positive.

The company raised the dividend twice in the past year and the stock appears oversold today. Investors who buy now can pick up a 3.7% yield.

## Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has invested billions of dollars over the past decade to build a large business in Latin America.

The primary focus is on the Pacific Alliance countries of Mexico, Chile, Peru, and Colombia. The trade bloc allows the free movement of capital, goods, and labour among the members and provides an opportunity for Bank of Nova Scotia to capture business from both companies and consumers.

Firms that enter new markets require cash management services and Bank of Nova Scotia's presence in all four of the core Pacific Alliance countries should give it an advantage. In addition, demand for loans and investment products will expand with the growing middle class.

Bank of Nova Scotia recently raised its dividend. The current payout provides a yield of 4.75%.

## Is one more attractive?

Nutrien and Bank of Nova Scotia should both be solid buy-and-hold picks for a self-directed RRSP.

If you only buy one, I would probably make Nutrien the first choice right now. The stock appears oversold and the market might be underestimating the company's potential to generate significant free cash flow when prices increase.

### CATEGORY

1. Bank Stocks
2. Investing
3. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:NTR (Nutrien)

3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:NTR (Nutrien)

## **PARTNER-FEEDS**

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

## **Category**

1. Bank Stocks
2. Investing
3. Metals and Mining Stocks

## **Date**

2025/08/20

## **Date Created**

2019/10/18

## **Author**

aswalker

default watermark

default watermark