



3 Dividend Stocks to Boost Your RRSP or TFSA in 2020!

Description

Do you want to get your RRSP or TFSA balance up in 2020? If so, it pays to start planning now.

Although you've got three months in 2020 to make your final RRSP contributions for 2019, it never hurts to get a head start on your portfolio planning.

December is a great time to start planning out your investments for the next year. For most people, the holiday season affords a certain amount of time off, which can be used to catch up on some investment research. The new year, however, can be a great time to set some financial "resolutions" for the year ahead.

With that said, let's take a look at some quality stocks that could set your RRSP or TFSA up for success in 2020.

Alimentation Couche-Tard

Alimentation Couche-Tard is Canada's biggest convenience store company. Best known for its Circle K line of stores, it has a [huge share of the gas station and convenience store market in Canada](#).

Not only that, but the company has a large presence in the United States, where it's the market leader in convenience store fuel sales.

Aggressively growing and pushing into new markets, Alimentation has delivered superior returns to shareholders, rising 127% over the past five years. The stock's gains appear justified by its fundamentals, as it routinely grows earnings at 20% or more year over year. In the most recent quarter, net income jumped 24.4% from the same quarter a year before.

Toronto-Dominion Bank

Toronto-Dominion Bank has long been Canada's fastest-growing bank stock, owing to the strength of

its [U.S. retail business](#).

Despite this, it's not really that much more expensive than the other Big Six banks, with a 12.14 P/E ratio.

About a month ago, TD was put under some pressure by the sudden explosion of no-fee trading, which put its **TD Ameritrade** investment in jeopardy. TD Ameritrade earned a whopping 34% of its sales from trading fees, and was thus less well positioned to handle no-fee trading than **Charles Schwab**, which had already found other revenue sources. Fortunately, Schwab itself went on to buy TD Ameritrade, and now TD Bank will own 13.4% of Schwab instead.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is a Canadian utility company that has outperformed both on dividends and capital gains.

Up 91% over the past five years, it has outperformed both the TSX and the TSX utilities sub-index. Despite all these gains, the stock is still a big income producer, with a 3.99% dividend yield at current prices.

In terms of fundamentals, Algonquin has a lot going for it. It's a solid grower, having increased earnings from \$84 million to \$184 million between 2015 and 2018. It's highly profitable, with a profit margin of 22% based on trailing 12-month figures. Finally, it has a decent return on equity of about 9%.

The only slight negative about this stock is the fact that, with a P/E ratio of 25, it's pretty pricey for a utility. However, Algonquin has much better growth metrics than your average utility, so the price premium is arguably justified.

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1. Bank Stocks
2. Dividend Stocks
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