



Retirees: 2 Low-Risk Stocks To Guard Your Precious Nest Egg in 2020

Description

If you're a short-term investor, I'm sure you enjoy the excitement that comes with day trading on the **Toronto Stock Exchange**. If you're planning to build your retirement nest egg, you should know that the same volatility can be problematic for long-term goals, putting you at unnecessary risk if you're planning on relying on it to cover your living and daily expenses.

As a retiree, low-risk and dividend-paying stocks are the best investment options that you can consider. I know bonds are traditionally the preferred low-risk asset Canadians consider for low-risk investments. Stocks like **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) and **Canadian Utilities** ([TSX:CU](#)), however, might show you the reasons to believe otherwise.

Today I'm going to discuss these two low-risk stocks trading on the **TSX** that can help you safeguard your precious retirement fund through harsh economic conditions so you can consider taking a better look at them.

BCE

BCE has long been seen as a robust investment option for any investment portfolio. A significant player in Canada's telecommunication sector, BCE's market capitalization is \$52.52 billion at writing with the share price of \$60.33. The company offers its shareholders' dividend payouts at a healthy yield of 5.25%.

Pipeline and utilities companies are often considered the most stable businesses. Why? Both sectors provide a necessary service that leads to steady revenue generation for the company with a growing stream of revenue.

In challenging economic times, business growth might slow down, but the companies can remain profitable. In better economic conditions, both industries flourish further.

Similarly, telecom has become a necessity in modern society. BCE is one of the [leading operators](#) in the country's telecom sector, and it continues to exhibit stellar performances each quarter.

In its most recent quarter, BCE added a record-setting 204,000 new subscribers, and the numbers might keep racking up as it rolls out 5G-capable devices in 2020.

Utilities

Speaking of necessary services, utility companies like Canadian Utilities are likely to continue performing well during harsh economic conditions. CU has been an incredible investment option for decades.

Canada's stock market has produced some of the best income-producing stocks in the world, and Canadian Utilities is one of the best examples.

With a share price of \$39.27 per share at writing, CU's market capitalization of \$10.37 billion and a 4.31% dividend yield are impressive. The company is continually increasing its dividends, with the recent increase being the [47th consecutive year](#). Canadian Utilities has been building a remarkable business since 1972.

The company doubled down on its regulated approach, utilizing the restrictions to its advantage. Opting for stable growth in the long-term, Canadian Utilities recently let go of its entire fossil fuel portfolio to move to greener solutions.

Foolish takeaway

Both Canadian Utilities and BCE operate in stable sectors trading on the TSX. Short-term investors might find the stocks to be boring, but the low volatility of CU and BCE could be what retirees need as part of their TFSAs to secure a substantial nest egg for their retirement.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:CU (Canadian Utilities Limited)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise

5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2020/01/07

Author

adamothonman

default watermark

default watermark