Canadians: 3 Stocks That Will Help You Retire Rich

Description

Back in the summer of 2019 I discussed several strategies that investors should pursue in order to guarantee a comfortable retirement. A recent **Royal Bank** survey revealed some interesting myths about retirement. For example, while many pre-retirees plan to work in retirement, less than 15% of actual retirees said that they had returned to part-time or full-time work.

Today I want to look at three stocks that boast nice income and the potential for continued capital growth that can drive gains in a retirement portfolio for years to come. Let's dive in.

BCE

BCE (TSX:BCE)(NYSE:BCE) is one of the top Canadian telecoms. The telecom sector offers stability for investors, but the trade-off tends to be limited growth. This expectation was subverted in 2019 as telecoms performed well. Shares of BCE have climbed 16% year over year as of early afternoon trading on January 17.

Investors can expect to see BCE's fourth-quarter and full-year results in early February. In the third quarter, BCE reported record wireless net additions of 204,067 which is up 14.8% from the previous year. Adjusted EBITDA rose 5.6% year over year and net earnings grew 6.3% to $922 million.

The stock last paid out a quarterly dividend of $0.7925 per share. This represents a 5.1% yield.

Fortis

When the market turned in late 2018 I suggested that investors should pile into **Fortis** (TSX:FTS)(NYSE:FTS). Fortis stock has climbed 25% from the prior year. Like telecoms, utilities also enjoyed an impressive year in 2019. With low interest rates seemingly here to stay in the near term, I still love Fortis as a hold to start this decade.

There is reason to get excited about Fortis in the front half of the 2020s. Its five-year capital expenditure plan of $18.3 billion will stretch from 2020 to 2024 and is expected to greatly expand Fortis's rate base. This, in turn, will support annual dividend-growth of 6% through the end of the period.

Fortis last increased its quarterly dividend to $0.4775 per share. This represents a 3.4% yield. It has delivered dividend-growth for 46 consecutive years.

Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) stock suffered a retreat after the release of its fourth quarter results in December 2019. Earnings fell from the prior year in several key segments, although its U.S. segment continued to post strong growth. The stock had only climbed 5.8% year over year at the time of writing.

The bank is focused on improving its results in 2020. It is pouring resources into boosting mortgage growth this year as the Canadian housing sector enjoys a rebound. CIBC was once a leader with its mortgage book over its peers, but this changed when the sector suffered a broad retreat in 2017 and 2018. The stock possesses a favourable price-to-earnings ratio of 9.7 and a price-to-book value of 1.3.

Better yet, CIBC boasts fantastic income compared to its industry peers. It last increased its quarterly payout to $1.44 per share, representing a strong 5.3% yield.

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