



Canada Revenue Agency: 1 Thing You Can't Forget This Month!

Description

The S&P/TSX Composite Index has started nicely in the month of February. Investors had reason to celebrate, as the index rose 132 points on February 4. There is an important development that all Canadian investors should keep an eye on in the dead of winter. Today, I want to discuss what that is and some of the ways we can take advantage of it.

RRSP contribution deadline

Yup, you guessed it. This is the last full month investors will have to mull over their RRSP contribution for the 2019 calendar year — that is, if you have not already made your full contribution for the year.

At the beginning of this month I'd discussed some tips for RRSP investors [ahead of this crucial deadline](#). Some of the tips I offered included figuring out your contribution room, working to put your money to use investing or servicing debt rather than spending, and targeting RRSP-friendly stocks. Fortunately, investors still have time to mull over the moves they can make before the March 2, 2020, deadline.

Canadians are burdened by record debt levels, so it is understandably challenging for many to be able to make the contributions that they would like to. If you are unable to make this deadline, try to work on saving incremental amounts over the next tax year. Whatever way you receive an income, remember to pay yourself first and bet on your future.

That said, today I want to look at two stocks I like for RRSP investors. These equities performed well in 2019 and offer solid income that is always a nice boon for a retirement portfolio.

[Investment in green energy stocks](#) is something I'd suggested investors pursue ahead of the Canadian federal election. **TransAlta Renewables** ([TSX:RNW](#)) has been one of the top performers among renewable energy stocks. Its shares have climbed 50% year over year as of close on February 4.

RRSP investors can expect to see its fourth-quarter and full-year results for 2019 in early March. Although the stock is hovering around a 52-week high, TransAlta is still a solid value play right now. The stock possesses a price-to-earnings ratio of 19 and a price-to-book value of 1.9. Beyond that,

TransAlta boasts a topnotch balance sheet.

TransAlta stock last paid out a monthly dividend of \$0.07833 per share. This represents a strong 5.5% yield.

Utilities were another great bet in 2019, as investors responded to dovish signals from central banks. This has restored faith in stable, income-generating equities, while fixed income vehicles struggle to keep up with inflation due to historically low rates. **Emera** ([TSX:EMA](#)) is a Halifax-based utility. Its stock climbed 32% from the prior year at the time of this writing.

Shares of Emera have dipped 2% over the past week as of close on February 4. Like TransAlta, Emera stock possesses a P/E ratio of 19 and a P/B value of 1.9. Shares of Emera have fallen out of technically overbought territory due to its recent dip. Emera needs an earnings boost to keep up with lofty interest payments, but it has an impressive history as a dividend payer.

Emera stock last paid out a quarterly dividend of \$0.6125 per share. This represents a solid 4.2% yield. The company has delivered dividend growth for 13 consecutive years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)
2. TSX:RNW (TransAlta Renewables)

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