RRSP Stocks: 4 Great Wide-Moat TSX Names to Buy and Hold

Description

Dividends are important for retirees and the backbone of RRSP stocks. To a large extent, many retirement funds rely on the passive income provided by the biggest Canadian names. Today, we'll look at why **BCE**, **Enbridge**, **Nutrien**, and **Brookfield Renewable Partners** are suitable for retirement investors.

Four great Canadian retirement stocks for your RRSP

Canadians packing shares into a Registered Retirement Savings Plan (RRSP) need stability. That's why it makes sense to buy and hold dividend stocks. What makes those stocks even more secure is a wide economic moat. Investors should look for Canadian businesses that dominate their sector — names like BCE and Enbridge.

BCE commands almost a third of the market share with 10 million wireless customers. It also licenses HBO, Starz, and Showtime in Canada. As RRSP stocks go, it's a strong dividend pick for long-term investors seeking both coronavirus market resilience and defensive moatiness.

Switched-on Canadians are looking at who's keeping the lights on right now. Energy suppliers make solid retirement stocks. However, the confluence of the oil price war and the coronavirus has seen Enbridge shed 21% in the last month. This has driven its dividend yield up to an incredible 8%.

What makes it as especially strong play is its wide-moat qualities. Enbridge commands the Mainline pipeline system used to transport liquid fuel. Shippers pay Enbridge to transport the fuel they produce. The Mainline network is a vast, unassailable economic moat that makes Enbridge bulletproof.

Two RRSP stocks for green economy upside

Nutrien, meanwhile, is the world's largest potash producer. This is one of a small handful of essential nutrient inputs used in agriculture. You might say that Nutrien is therefore the ultimate consumer staples play. Its wide-moat position in the precision farming space also makes it a solid buy for resource sustainability.

Green energy and resource management are major investment themes for the new decade. Investors buying retirement stocks should consider combining the asset management expertise of a Brookfield name with a consumer staples play. Brookfield Renewable Partners and Nutrien are a solid one-two punch for safe long-term passive income in this regard.

Some extreme value opportunities could also be just around the corner. World Bank president David Malpass has identified the potential for a downturn. “Beyond the health impacts from the COVID-19 pandemic, we are expecting a major global recession.”

The true extent of the pandemic won’t be known until testing is rolled out at scale and in a controlled and uniform manner. Beyond that, a successful vaccination program will be the backstop the markets need. In the meantime, investors should trim weaker retirement stocks on such rallies and buy the dips, as they build positions at a slower rate.

The bottom line

Investors should keep buying RRSP stocks. But they also need to ask some tough questions, especially if passive income is key to their strategy. Some big names could cut or suspend payments. If you’re not buying for the dividend, what are you buying those names for? This is why quality matters. Now is the time to buy great names on weakness and hold for a long-term recovery.

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Date
2025/08/18
Date Created
2020/04/08
Author
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