RRSP Investors: Buy These Stocks for Emerging Market Growth

Description

The last couple of years saw the growth of contrarian investing in emerging markets. But how does that strategy stand now? And how suitable is exposure to emerging market stocks for retirement investors?

Stocks that brought access to markets such as Brazil, Chile, Turkey, and South Korea were rising in popularity. The trend was reflected in a rise in interest in specially targeted funds. Investors eyed growth potential everywhere from Colombia and Qatar to Thailand and Taiwan.

Then came the market crash. Suddenly, economies such as Greece, Poland, and Malaysia have turned from returns-rich assets to potential liabilities. Investors may be tempted to avoid such markets as unnecessarily toxic.

Retirement investors: Access low-risk growth with three stocks

However, Canadians may not realize that Big Five heavy-hitter **Scotiabank** is a low-risk play on emerging markets. Scotiabank has key exposure to the Pacific Alliance, a Latin American trade bloc. Investors in Scotiabank gain access to growth in a group of Pacific Ocean neighbours. The bloc is comprised of Chile, Colombia, Mexico, and Peru and is integrated in terms of trade and capital. This integration adds a degree of reassurance to a Scotiabank investment.

Growth is important, too, especially when buying stocks for a retirement savings plan, or for your TFSA. Packing exposure to growing foreign markets is a popular route to growth. But look beyond banks and funds. Another way to add growth in emerging markets to a stock portfolio is to buy diversified stocks in the energy sector.

Brookfield offers a range of diversified investment options. The name is synonymous with asset management experience. But another reason to stack shares in a name like **Brookfield Renewable Partners** is high growth potential. Not only does it cover a range of operation types, but it's also geographically diversified, too. Brookfield Renewable Partners covers sites in Europe and Asia as well as across the Americas.

Spread risk through diversification

Then again, investors seeking diversified growth could consider **Shopify** for a low-exposure play that touches on a huge array of sectors. This is a popular, if overvalued, tech name that will continue to run and run. It's like a more modern **Amazon**, a stock that Warren Buffett famously (or rather "infamously") passed on. Shopify has proven extremely hardy during the market crash, rocketing 36% this week.

There are four main strategies to employ when investing today. Investors first and foremost should avoid trying to time the market, since the bottom is nowhere in sight. For safety and passive income, TSX investors should also get into dividend stocks. Holding for the long term is advisable, too. This reduces short-term risk and compounds both dividends and stock maturation. Then round it all out by mixing in some quality bonds.

The bottom line

Scotiabank is a top stock for access to emerging markets, thanks to its significant exposure to South American markets. It belongs in your long-term retirement savings plan for a number of reasons, not least of which is its current valuation. Renewables and e-commerce are also packed with geographically diversified growth potential.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing
5. Stocks for Beginners

POST TAG

1. retirement
2. rrsp

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing

5. Stocks for Beginners

Tags

1. retirement
2. rrsp

Date
2025/08/15
Date Created
2020/04/19
Author
vhetherington