Retiring? Buy These 2 Dividend Stocks Now!

Description

Retirement should be about comfort and peace of mind. Investors lining a Registered Retirement Savings Plan (RRSP) or other retirement fund should be looking at low-risk stocks to hold for the long term. But which names can offer defensive growth in the current market? Today, we will take a look at two TSX stocks that can go the distance, covering consumer staples and natural resources.

The consumer staples play

Nutrien (TSX:NTR)(NYSE:NTR) could be considered the ultimate consumer staples stock. It's the largest potash producer in the world, making it a strong buy for agri inputs. The largest agri retailer in the United States, Nutrien is a go-to source of seeds, fertilizer, agri services, and crop chemicals. In essence, Nutrien is an integral part of the mechanism that feeds the world.

Nutrien pays a tasty 5.6% dividend yield and has seen share price appreciation of 30% above its three-month low. It's selling below its book price, too, making for excellent value for money. In short, this is a nicely priced, strongly defensive dividend stock.

Names like Nutrien offer ways for natural resource investors to diversify away from oil. Metals stocks allow the same thing, while also acting as a play on the energy sector. Look at copper, for instance, or lithium. Uranium could also have its time in the sun, either on its own or in conjunction with the hydrogen fuel movement. However, the casual, low-risk investor may want to avoid pure-play options right now.

A strong, diversified stock to buy for growth

Lundin Mining (TSX:LUN) offers exposure to a diversified array of metals. The main focus here is on copper, although nickel, zinc, and gold get a look, too. Copper is an especially strong play on undervalued commodities with huge upside potential via its use in renewable energy and electric vehicles. Lundin also pays a 2.4% dividend, making it a satisfying pick for passive income.

Another name trading below book, Lundin offers value along with a diversified business model and dividend-growth potential. In summary, Lundin is a strong buy for the ethical investor seeking a combination of capital growth and regular dividend payments. This name goes ex-dividend May 27, so buy before then to receive the upcoming payment.

Buying retirement stocks right now is far from simple. The entire economy has been turned on its head. But there are sectors that are perennially defensive. There are also growth areas with mountains of upside potential. By mixing Nutrien and Lundin, retirees have a one-two punch that beats the market and adds long-term wealth creation to a retirement portfolio.

Investors should pay little attention to rallies during the pandemic, except to use them to trim portfolios. It's likely that additional pullbacks in the market are on the way. One reason for this is that bearish investors get caught up in rallies, only to rush back out again on weak data. With second-quarter GDP and earnings ahead, this backwash is likely. RRSP investors should therefore hold cash and buy the dips.

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