4 RRSP Stocks to Buy for Canada's Double-Dip Recession

Description

You're a veteran investor with years of experience. You've seen prime ministers and presidents come and go. You've seen recessions and rallies. Your portfolio had been ticking along nicely, balanced across a spread of Canada's strongest industries and top blue-chip businesses. But then along came 2020. Suddenly, the world was turned on its head. How do you manage that portfolio now, amid so much volatility?

Press the reset button on your retirement stocks

A double-dip recession involves a period of sharp economic contraction, followed by a brief recovery, followed by a repeat recession. The last notable such recession in Canada was in the early nineties. But analysts are already beginning to wonder whether the pandemic might have formed the perfect storm for another such economic calamity.

Concerned retirement investors should consider building positions on weakness, while trimming on strength. This is a different approach from the usual "buy and forget" method. Instead of missing out on shares when they go on sale, investors should go long, think ahead, and consider eventual sizes of positions rather than backing up the truck. However, for near-term growth, investors should consider beaten-up names with bounce-back potential.

From double-dips to double-doubles

Chances are you already hold shares in some of the following stocks. But now might be the time to trim underperformers while building bigger positions elsewhere. Four ideal stocks to pack for the long haul as well as near-term bounce-back gains include **Rogers Communications**, **Russel Metals**, **Northland Power**, and **Restaurant Brands International**.

This mix of stocks offers a blend of low volatility, growth, and “comeback charisma.” The latter quality is likely to be a hallmark of stocks that manage to both rocket during a recovery and huddle down duringa downturn.

Investors should also earmark industrials that have proven steadfast during the pandemic. These names will rally hard but also remain resilient during that second leg down.

Focus on the recovery – not the recession

Rogers is an especially apt name to buy right now. This mighty business empire is having a tough pandemic, to be sure. Roaming charges are down (since nobody is roaming), and its sports teams have been relegated to the sidelines.

Media advertising is down, and its shops were closed for long enough to cause lasting pain (since lost sales are lost forever.) But these areas will bounce back. Until then, this quality stock is on sale.

Russel Metals could get a dual boost, making it a powerful pick for investors seeking “comeback kid” companies. Industrials have been improving on vaccine hopes, showing that these are strong names for a recovery. Add to that the potential for a rewritten USMCA (née NAFTA) if the Democrats steal the White House, and Canadian metals stocks could see a brighter future.

Other lights breaking through 2020’s steely sky could come from Restaurant Brands and Northland. Relaxed quarantine measures could see a return of customers to sit-in dining, boosting fast food sales.

Meanwhile, an uptick in energy demand from a recovering industrial environment could boost electricity prices – and Northland’s bottom line.

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Date
2025/07/02
Date Created
2020/07/24
Author
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