1 Great TSX Stock to Buy for Early Retirement

Description

Investing for retirement can take as many forms as there are retirees. But there are a few types of retirement investing that follow broad formulae. First, you have the young, super-long-term investor thinking decades ahead. Next you have the work-age investor who is just starting to think about what might be around the corner. Then there is the retiree looking to pad out an RRSP or other retirement fund.

Beating the rush to retirement?

While personal time frames are key, the early retiree generally falls somewhere in the middle of this spectrum of requirements. As such, the early retirement investor will need healthy, blue-chip stocks that can be bought and forgotten about. With fairly broad financial horizons, the early retiree will need a mix of decent returns, sizeable yields, and recession-resistant quality.

Investors can make use of screening tools for this process. Alternatively, they can entrust such decisions to a portfolio manager. The other way to screen for these kinds of determinants is to make a list of wished for stocks and then go through it with a fine-toothed comb. Investors looking to buy and hold should also consider a company's market share.

Such wide-moat stocks include **CN Rail**, **BCE**, **Nutrien**, **Rogers Communications**, and **Enbridge**. These are names that have carved out their own defensive niche in their respective markets. Take Rogers, for instance. This is a key Canadian company that commands a rough third of the wireless market, while owning not only a large slice of the national sports media, but also some of its actual sports teams.

A solid stock pick for a post-pandemic recovery

This makes Rogers a strong name to buy for a recovery. While an economic return to normalcy may be some time coming, with more pain likely in both the near and mid term, Rogers is a strong play for a comeback. In many ways, sports is a recession-resistant sector under normal circumstances. Once the public health crisis has abated, Rogers could see a dramatic upswing in its share price.

That makes now a good time to buy shares in Rogers. Getting in before the rush allows early retirement investors to lock in a richer dividend yield while also reducing capital outlay. Rogers saw a fairly predictable pullback after its Q2. It was a sobering earning season all told, and one that saw all three major Canadian telecoms stocks take a hit on various fronts. But one area that hit all three was lost revenue from a downturn in roaming fees.

But these fees are due to spring back once customers actually start roaming again. This is just one reason why Rogers could see some growth from a post-pandemic recovery, though. Another is advertising revenue. This has also been weighed down during the pandemic, as advertisers cut back on costs amid weak consumer sentiment. But again, this is likely to pick up again with a recovery, further adding to a buy thesis for Rogers stock.

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