



RRSP Investors: These 2 Under-the-Radar Stocks to Buy for the 2020s

Description

RRSP investors should seek to invest for the [extremely long term](#) while looking to take advantage of near-term dips, corrections, crashes, and bear markets that inevitably present themselves over time. Every market sell-off is different. There are always things to be worried about in markets, and anytime there's a panic, you should look to accumulate shares of wonderful businesses at discounts to their intrinsic value.

This time around, the tech-heavy NASDAQ 100 is in a correction thanks to rising U.S. bond yields. The 10-year U.S. Treasury surged above the 1.5% mark, and the U.S. Federal Reserve spooked investors with the dreaded “i” word: inflation.

At this juncture, there's no telling what the bond market's next move will be.

Bond yields remain unattractive for RRSP investors, given real yields (yields on an after-inflation basis) are still below zero. There are really few places to hide these days. Risky assets like stocks are the place to be. But with volatility continuing to surge to stomach-churning highs, RRSP investors are going to need to keep their cool and continue [adding to positions they still believe in on weakness](#).

Corrections are a 10% “sale” on the stock market

A correction is a correction. And RRSP investors should treat it as nothing more than a chance to snag stocks at 10% off. In prior pieces, I urged investors to stop fretting about inflation and the ailing bond market, urging investors to focus on deeply-discounted individual companies that would be in a spot to outperform over the next decade and beyond.

With an economic reopening and the roaring 2020s just around the corner, I think investors should look to the cyclical and discretionary, which, I believe, could lead the next charge higher, just as growth did in the past two years.

Without further ado, consider **Badger Daylighting** (TSX:BAD) and **TFI International** ([TSX:TFII](#))([NYSE:TFII](#)).

Badger Daylighting

Badger Daylighting is an under-the-radar stock that may be the ultimate reopening play. The firm provides soil excavation services with its fleet of hydrovac-equipped trucks. Such services are vital in exposing buried infrastructure and assets to the light of day in the process known as “daylighting.” It’s a dirty business, but somebody has to do it!

In the early stages of an expansion, infrastructure plays like Badger are exactly where you want to be to get excess risk-adjusted returns. Badger has steadily been climbing out of its coronavirus-induced funk, and I think shares are well equipped to continue their ascent on the back of the new bull market.

Industrial Alliance Securities analyst Elias Foscolos recently downgraded the stock to sell, with a \$39 price target over recent stock price appreciation. I think Foscolos is wrong to downgrade the stock and think shares remain absurdly cheap at just 2.6 times sales.

TFI international

TFI International is a transportation and logistics firm that’s made massive operational efficiency improvements over the years. The company remained resilient through the worst of the COVID-19 crisis and I think it’ll build upon its strength in the post-COVID era.

I’ve often referred to TFI as the veins of the North American economy. With a massive economic rebound that’s just on the horizon, TFI is a strong buy on any weakness. Shares pulled back 3.3% on Thursday, as the broader equity markets plunged. Shares are currently sitting down 13% from their highs and for no real good reason.

At just 1.8 times sales, I view TFII stock as one of the best value plays to play the “roaring 2020s” and would encourage RRSP investors to dollar-cost average their way into a full position as the current sell-off steepens.

CATEGORY

1. Investing

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1. NYSE:TFII (TFI International)
2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
3. TSX:TFII (TFI International)

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Author

joefrenette

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