



RRSP Investors: Buy and Hold These 2 Stocks for Decades!

Description

If you're one of many rattled RRSP investors who've yet to put your latest contribution to work, it's time to go on the hunt for opportunities while [volatility](#) is back. The greater the volatility, the more inefficient Mr. Market becomes at pricing stocks close to their true worth. Today, U.S. bond yields have many hitting the panic button with their growth stocks.

Bond market jitters: Don't fear what everybody else fears!

I'd argue that the plunging Treasury note (bond yields rise as prices fall) ought to be the least of long-term RRSP investors' concerns these days. The insidious coronavirus is still out there, and I'm inclined to side with the U.S. Federal Reserve over the bond market. The Fed is still not even thinking about thinking about raising interest rates here. They're focused on employment and are willing to let the economy overheat over the near-term if it means improving the chances of getting the economy back to some form of normal.

In this piece, we'll have a closer look at two **TSX** stocks that I believe are [opportunities](#) for RRSP investors truly long-term time horizons. Think 10, 20, or even 30 years, not just the next 18 months. With such a longer-term viewpoint, you'll be less rattled by short-term climbs in bond yields that seem to have some hitting the panic button with their growthiest plays.

RRSP investors ought to manage their investors like Warren Buffett

Consider **CN Rail** ([TSX:CNR](#))([NYSE:CNI](#)) and **CP Rail**, two railway companies that can allow RRSP investors to sleep peacefully at night, without having to worry about what the bond and stock markets will do next week.

The railways are the ultimate wide-moat growth play. There's a reason why Warren Buffett owns one outright! The Steady Eddie plays aren't going to make Berkshire Hathaway rich overnight. But they will

help the firm's portfolio steadily outperform the market indices in any given year.

TFSA and RRSP investors ought to take a page out of the Oracle of Omaha's playbook by treating their registered investment accounts as a place to maximize risk-adjusted returns, rather than a place to hit it big with speculative plays like Bitcoin, marijuana, Initial Public Offerings (IPOs), or a celebrity-run SPAC.

TFSA or RRSP investors willing to think longer-term have a lot to gain over the decades with either one of the top Canadian rails — and not just in terms of capital gains but dividend growth. Both CN and CP are dividend growth kings, which, when held over decades can help create a rock-solid passive income stream to fund a rich retirement.

CN and CP sport yields of 1.7% and 0.8%, respectively. Not exactly dividend stocks for passive income. But after many, many years' worth of above-average dividend growth, you can expect the yield based on your invested principal to swell drastically over time. If you're an RRSP investor focused on the long-term, forget near-term jitters. Focus on what matters: the real long-term.

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2. TSX:CNR (Canadian National Railway Company)

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Author

joefrenette

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