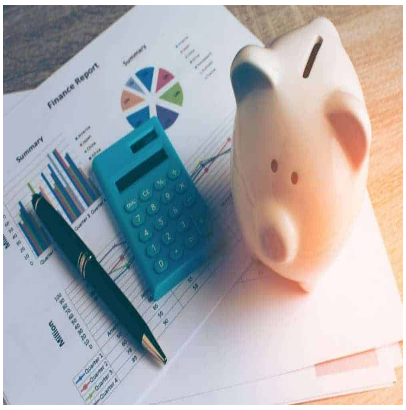

RRSP Investors: 2 Top TSX Stocks to Buy Now

Description

The **TSX Index** continues to trade near record highs, but some top Canadian dividend stocks still look attractively priced for a self-directed RRSP portfolio.

TD

TD (TSX:TD)(NYSE:TD) trades near $82 per share at the time of writing compared to the 2021 high of $89. Buying this stock on dips has historically proven to be a smart move for buy-and-hold RRSP investors, and this time shouldn't be different.

TD is a profit machine. The bank generated fiscal Q3 2021 adjusted net income of $3.6 billion, with strong results from the Canadian and U.S. retail banking operations.

TD finished the quarter with a CET1 ratio of 14.5%. This is a measure of the capital the bank has available to cover potential loan losses. The bank is required to maintain a CET1 ratio of at least 9%, so TD is sitting on significant excess cash. Management beefed up the cash position last year to ride out the uncertainty of the pandemic. Now that the worst-case scenario has been avoided, TD will likely look for opportunities to deploy the cash hoard.

Investors should get a large dividend increase when the banks are allowed to restart payout hikes. That should be later this year or in early 2022. In addition, share buybacks and strategic acquisitions might also be on the way. Theses all benefit shareholders in the long run.

TD's current dividend provides a yield of 3.8%.

Nutrien

Nutrien (TSX:NTR)(NYSE:NTR) is a giant in the global fertilizer industry. The company produces potash, nitrogen, and phosphate. These crop nutrients are used by farmers around the world to improve crop yields. Nutrien also sells seed and crop protection products through its retail operations and is growing its digital offerings that enable farmers to access markets and manage their businesses in more efficient ways.

Nutrien raised potash production by one million tonnes for the second half of 2021 to meet strong demand and take advantage of higher prices. The positive trend is expected to continue into 2022. A recent decision by a global mining giant **BHP** to go ahead with a new potash mine in Saskatchewan suggests the industry anticipates strong long-term demand growth. The new facility won't be operational for at least six years.

Nutrien has an advantage that should drive higher revenue and profits in the next few years. The company previously completed large capital programs, so it has the capacity to ramp up production without the need to make huge new investments. This bodes well for investors. Nutrien has the potential to be a free cash flow machine as commodity prices rise.

The stock is up 25% in 2021, but more gains should be on the way. Nutrien raised the dividend by 15% over the past three years, and investors should see a generous increase to the distribution for 2022, given the strong market conditions and improved EBITDA guidance.

At the time of writing, Nutrien trades near $79 per share and offers a 2.9% yield. It wouldn't be a surprise to see the stock hit $100 by the end of 2022.

The bottom line

TD and Nutrien are leaders in their respective industries and should deliver solid long-term gains for RRSP investors. If you have some RRSP cash to put to work, these stocks deserve to be on your buy list.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:NTR (Nutrien)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aswalker
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/07/26
Date Created
2021/09/20
Author
aswalker