



New Investors: 2 Top TSX Stocks to Buy in November to Build Retirement Wealth

Description

New investors who missed the big stock market rally in 2021 are wondering which stocks might be good picks right now for a self-directed retirement portfolio.

Royal Bank

Royal Bank ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest financial institution with a [market capitalization](#) of \$190 billion. The company has a balanced revenue stream coming from personal banking, commercial banking, wealth management, capital markets investor and treasury services, and insurance.

Royal Bank made it through the worst part of the pandemic in better shape than analysts might have expected in the spring of 2020. The Canadian housing market soared on the back of record-low mortgage rates and a wave of buyer interest in the suburbs and smaller towns, where people who were suddenly forced to work from home could find more space.

Canada Mortgage and Housing Corporation (CMHC) originally warned that house prices could fall up to 18%. This prediction had bank investors worried that a wave of defaults would be on the way. As we now know, the opposite happened.

Royal Bank is sitting on a war chest of cash it set aside to cover potential loan losses. The government just gave the Canadian banks the green light to raise dividends and restart share buybacks. Royal Bank investors could see a dividend increase of 20% or higher for 2022 when the bank reports fiscal Q4 2021 results.

Royal Bank's current dividend provides a yield of 3.25%.

Long-term investors have done well with this stock. A \$10,000 investment in Royal Bank 20 years ago would be worth about \$113,000 today with the dividends reinvested.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is Canada's second-largest communications firm. The company owns wireless and wireline networks across the country that provide customers with world-class mobile, TV, and internet services.

Telus is investing in network upgrades and new technology to ensure it remains competitive and that its subscribers have access to the broadband they need for work and entertainment. The company will largely complete its copper-to-fibre transitions in 2022 and recently spent \$1.9 billion on spectrum that will be the base for the expansion of the [5G](#) network.

Telus reported strong Q3 2021 results and raised the dividend by 5.2%. Management expects the capital expenditures to top out next year. This means more cash should be available for dividends in 2023 and beyond.

Future growth will come from a number of initiatives that are separate from the traditional business. Telus Health is already a leader in Canada providing digital solutions to health professionals, hospitals, and insurance companies. Telus Agriculture helps farmers make their businesses more efficient through the use of digital technology.

The company has a good track record of building subsidiaries into strong businesses. Telus completed a successful IPO of its international division earlier this year.

Telus is a good defensive stock to hold in a retirement portfolio. The company provides essential services, so its business is not heavily impacted when global financial markets hit a rough patch.

Investors who buy the stock at the current share price can pick up a 4.5% dividend yield.

The bottom line on top stocks for retirement investing

Royal Bank and Telus have long histories of providing buy-and-hold investors with attractive total returns. If you have some cash to put to work in a TFSA or RRSP portfolio, these stocks deserve to be anchor picks.

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