RRSP Investors: 2 Top Stocks to Buy on the December Dip and Hold for Decades

Description

RRSP investors are searching for top TSX stocks to add to their self-directed retirement portfolios.

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA) trades near $38 per share at the time of writing compared to the 2021 high of $43. Investors who buy the stock at the current price can pick up a 6.6% dividend yield.

The shares are down in recent weeks due to the broader drop in the energy sector caused by the correction in oil prices. Pembina Pipeline came under added pressure more recently when the CEO said he was leaving the company to pursue other opportunities.

The pullback in the stock now looks overdone.

Canada's energy patch is back on its feet after a rough 2020, and Pembina stands to benefit from increased production activity in 2022. The company is a key provider of essential services to oil and gas producers and has a knack for making accretive strategic acquisitions.

Pembina Pipeline provides pipeline, logistics, gas gathering, and gas processing services. It also has propane export facilities and is evaluating carbon sequestration and LNG developments for future growth.

The company has been around for 65 years. While it is normally a buyer, it wouldn't be a surprise to see Pembina Pipeline become a takeover target, as the energy infrastructure sector consolidates. The company has a market capitalization of $20 billion at the time of writing. That's easily within the doable range for the energy infrastructure giants and large asset management funds.

Manulife Financial

Manulife (TSX:MFC)(NYSE:MFC) recently announced strong Q3 2021 earnings and raised the dividend by 18%. The company is a leader in providing insurance, wealth management, and asset management products in Canada, the United States, and Asia.

Manulife's Asia operations hold the best opportunity for long-term growth due to the immense population base in the countries it serves and the steady rise in the size of the middle class. As people have more money, they start to look for insurance and investment products to protect their families and build additional net worth.

Manulife should benefit from the anticipated increase in interest rates in Canada and the United States. Higher rates enable the company to generate better returns on the cash it has to set aside to cover potential claims. The company recently reduced its risk profile and unlocked $2 billion in value through a deal to reinsure 75% of its U.S. variable annuity business.

The new quarterly payout of $0.33 per share provides an annualized dividend yield of 5.6% at the current share price of $23.50.

Manulife appears undervalued today and should appeal to investors who want to add a financial stock to their portfolios without taking on the housing risk that come with the banks.

The bottom line on top RRSP stocks to buy now

Pembina Pipeline and Manulife appear cheap right now. The stocks offer above-average dividend yields and should deliver attractive total returns in the coming years. If you have some cash to put to work in a self-directed RRSP, these companies deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:PPL (Pembina Pipeline Corporation)

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
2025/08/24
Date Created
2021/12/02
Author
aswalker