



## 2 Top Canadian Stocks for RRSP Investors in 2022

### Description

RRSP investors are searching for top dividend stocks to buy inside their self-directed [retirement](#) portfolios. The **TSX Index** isn't cheap right now, but investors can still find good value in some [sectors](#).

### Manulife

**Manulife** ([TSX:MFC](#))([NYSE:MFC](#)) trades at just 7.2 times trailing 12-month earnings. The company generated strong results in Q3 2021, and the Q4 numbers should also be positive. Booming equity markets and a surge in investor cash positions has provided the the wealth management operations with a nice tailwind heading into 2022.

Manulife's insurance operations continue to perform well, despite the ongoing impacts of the pandemic in key growth markets in Asia.

One reason for the stock's underperformance might be investor bitterness that Manulife was forced to slash the dividend during the financial crisis. The payout has rebounded in recent years, and the board just announce an increase of 18%. The new quarterly distribution of \$0.33 per share provides an annualized yield of 5.4% at the time of writing.

Investors are also benefitting from a share-buyback program.

The stock appears cheap right now and could easily surpass the 2021 high above \$27 per share in the coming months. A run to \$30 by the end of 2022 wouldn't be a surprise.

### CN

**CN** ([TSX:CNR](#))([NYSE:CNI](#)) is a leader in the North American rail industry. The company's unique network stretches from the Pacific to the Atlantic coasts in Canada and right through the heart of the United States to the Gulf Coast. CN earns revenue in both Canadian and U.S. dollars, giving investors great exposure to growth in the U.S. economy through a top Canadian stock.

CN had a busy year in 2021 that saw the company fail in its bid to buy **Kansas City Southern**, a smaller U.S. railway that has routes in Mexico. The stock price went through some uncharacteristic volatility as a result and CN's CEO is expected to leave the company in early 2022.

Despite the distractions, CN remains a top-quality company that generates significant profits and robust free cash flow. Management intends to scale back capital expenditures in 2022, and investors could see a large dividend increase along with aggressive share buybacks in the coming year. A special one-time payout might also be on the way. CN received US\$700 million in net break fees when KCS decided to go with a takeover offer from **CP Rail**.

CN stock trades near \$156 at the time of writing compared to the 2021 high around \$168. Buying CN on pullbacks has traditionally resulted in positive long-term total returns for RRSP investors. The economic recovery is expected to pick up steam next year and CN should benefit.

Once there is clarity on the new leadership of the company, investors could flock back to the stock, so it might be a good idea to start a position while CN is still somewhat out of favour.

## The bottom line on top stocks for RRSP investors

Manulife and CN are leaders in their respective industries. The stocks appear attractive at current prices, and investors should see steady dividend growth in the next few years. If you have some RRSP cash to put to work, these stocks deserve to be on your radar for 2022.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:MFC (Manulife Financial 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**

2025/08/29

#### **Date Created**

2021/12/30

#### **Author**

aswalker

default watermark

default watermark