



## Retirement Wealth: 2 Top Stocks to Buy Now for RRSP and TFSA Investors

### Description

Canadian [RRSP and TFSA](#) investors are searching for top TSX stocks to add to their self-directed [retirement](#) portfolios. The market still looks expensive, but investors can still find attractive stocks to buy for holdings focused on total returns or passive income.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) spent \$2 billion on 3,500 MHz spectrum in 2021 that will be used to expand the rollout of its [5G](#) network. This should drive new revenue opportunities for BCE in the next few years and will help the company protect its wide competitive moat. BCE is also investing in its fibre-to-the-premises initiative that runs high-speed fibre optic lines right to the customer's building.

The media group saw revenue rebound in 2021 after a rough 2020, and the positive trend should continue this year, as businesses spend more on advertising to take advantage of the recovery in the economy.

BCE stock is a good pick for conservative investors who want to get above-average and reliable yield on their savings without having to watch the stock price every week. The shares are not risk-free, but the stock tends to hold up well when the overall market goes through periods of volatility.

Investors who buy BCE stock today can pick up a solid 5.25% dividend yield.

### Suncor

**Suncor** ([TSX:SU](#))([NYSE:SU](#)) is Canada's largest integrated energy company with production, refining, and retail operations. The three segments all took a big hit in 2020, and Suncor decided to cut its dividend by 55% to protect the balance sheet.

Investors punished the stock for the move, and the market still hasn't warmed up to Suncor the way it has for the company's competitors. This gives RRSP and TFSA investors a chance to buy Suncor

stocks while it still appears [undervalued](#).

Suncor saw its fortunes reverse in 2021, and 2022 is shaping up to be even better. The rebound in oil prices resulted in a gusher of profits and free cash flow that Suncor used to reduced debt and buy back stock. The board also announced a 100% dividend increase when the Q3 2021 results came out.

Fuel demand is expected to extend its recovery to 2019 levels this year, and Suncor is targeting production growth in 2022. WTI oil currently trades near US\$87 per barrel. At this price, Suncor is a profit machine, and the market might not fully realize how much cash the business will churn out if oil prices remain around US\$80 per barrel through the year.

Suncor is buying back up to 7% of its stock under the current share-repurchase program. Another large dividend increase could also be on the way. Investors who buy Suncor stock at the current price near \$35 per share can pick up a 4.8% dividend yield.

Suncor traded for \$44 per share before the pandemic, when WTI oil was priced at US\$60 per barrel. With fuel demand expected to regain pre-pandemic levels this year, the stock looks cheap today.

## The bottom line

BCE and Suncor are leaders in their respective industries and should deliver strong results in the coming years. The stocks offer attractive dividend yields right now for TFSA income investors and should be solid buy-and-hold picks for self-directed RRSP portfolios focused on dividend stocks.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:BCE (BCE Inc.)
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