RRSP Investors: 1 of the Best Canadian Stocks Just Went on Sale!

Description

RRSP investors should seek to put any excess cash to work after a brutal correction in the S&P 500 and Nasdaq 100. Right now, interest rates and earnings season are top of mind. We've seen massive beats and massive misses thus far. Volatility has been off the charts. Indeed, this is a market of haves and have nots. Arguably, investors have never witnessed big tech blue chips rising or falling by 10-30% in just a few trading sessions. It's brutal for those who aren't inclined to bet on penny stocks.

Will this magnitude of volatility stick around forever?

Probably not. It may be the new norm for the time being, as investors brace themselves for the blow of higher rates. Still, it's impossible to tell what the central banks are going to do next. Heck, they may not even know themselves until the big day happens! It depends on the economic data that'll come out and the trajectory of this COVID pandemic. There are a lot of variables that dictate when rates will rise, how fast, and by how much each time. Undoubtedly, inflation is a beast that needs to be tamed. A few rate hikes could push it away, but just how many can put it away for good? That's the big question, and, frankly, there's nobody that knows for sure.

That's why great investors, like Warren Buffett or Charlie Munger, acknowledge what they don't know and invest accordingly. Undoubtedly, it's the humble nature of both men that keeps them out of trouble. And it's their independent thinking that allows them to capitalize on opportunities as they arise.

In this piece, we'll have a look at two intriguing buys for RRSP investors. I think RRSP investors should take calculated risks, rather than seeking to be too aggressive. Remember, investing isn't just about trying to score big returns in a short time span. It's more about staying in the game and staying rich. At the end of the day, great investors are all about the returns relative to the risks they'll have to take on. To keep one's retirement trajectory on or ahead of schedule, you can't afford to risk a big mistake, especially if you're over 45.

Without further ado, let's have a look at two less-risky value plays that may be worth a second lookhere.

Constellation Software

Constellation Software (TSX:CSU) is a high-quality software company that seldom goes on sale. Recently, the stock nosedived into correction, mostly due to broader market fears in the tech sector. Tech is sour, but CSU stock is so much different from the names in the blast zone of the latest plunge. It's profitable. And it has the means to grow its earnings at a solid, predictable rate, thanks in part to its disciplined management team that knows how to raise the bar on earnings and deliver value for shareholders.

The stock isn't nearly as volatile as your average tech play. The latest dip, I believe, is a great gift for investors seeking smart beta exposure. RRSP investors should watch the name as shares sag on the back of this tech-induced selloff. If rates don't rise four or five times this year, expect CSU stock to return to its highs just shy of $2,400 per share.

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