



## 2 Top Stocks for RRSP Investors to Buy in 2022

### Description

Inflation is the story in 2022, and that means [RRSP](#) investors need to look for top TSX stocks to buy that should benefit from rising global prices.

### Suncor

**Suncor** ([TSX:SU](#))([NYSE:SU](#)) trades near \$37 per share at the time of writing and provides a 4.5% dividend yield. Oil and other commodities are viewed as good investments to benefit from inflationary pressures in the economy. The price WTI oil is now above US\$90 per barrel. That's a very profitable level for Suncor, and the Q1 results will likely be very strong.

Analysts widely expect oil to top US\$100 per barrel in the coming months based on demand projections and tight supplies. Volatility should be expected, especially if there is a major geopolitical event. An invasion of Ukraine by Russia would likely send oil prices soaring. A new nuclear deal with Iran could trigger a pullback.

Suncor's downstream operations should generate strong results this year. Easing COVID-19 restrictions will drive an increase in air travel, and companies are already preparing to bring workers back to the office. Commuters who historically used public transit might decide to drive to work. This could push gasoline demand above 2019 levels.

Suncor traded for \$44 before the pandemic, so there should be decent upside for SU stock in the next couple of years.

### Nutrien

**Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is the planet's largest producer of potash. The company is also a major supplier of nitrogen and phosphate. Farmers use these crop nutrients to boost yields on their fields.

A surge in crop prices in the past two years put more money in the pockets of growers. The result has been extra demand for fertilizer, as farmers plant more acres to take advantage of higher prices. Potash prices are at their highest levels in a decade.

At the same time, the industry faces supply constraints that could get worse. Belarus and Russia are major potash producers. Sanctions are already in place against Belarus and Russia could face the same fate if it invades Ukraine. Other global producers have struggled with operating issues, including flooding.

Nutrien, however, has spare capacity it can ramp up at low cost to fill the void. The company added one million tonnes of supply in the back half of 2021.

Nutrien's Q4 and full-year results will be robust, and guidance for 2022 is expected to be positive. Nutrien is already using excess cash to buy back stock and reduce debt. Investors could see a nice dividend increase when the 2021 results get announced February 16.

Takeover rumours emerged at the start of this year, when Nutrien's CEO suddenly left the firm after just eight months on the job. Buying a stock on the hopes of a takeover premium isn't advised, especially when the company might be viewed as strategically important for the country. That said, stranger things have happened and a serious bid for Nutrien could potentially send the shares much higher.

## The bottom line on top RRSP stocks

Suncor and Nutrien are leaders in their respective industries. The companies are enjoying the benefits of rising commodity prices and should deliver strong total returns for investors in the next few years. If you have some cash to put to work, these stocks deserve to be on your radar.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:NTR (Nutrien)
4. TSX:SU (Suncor Energy Inc.)

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aswalker

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