



RRSP Investors: 2 Top TSX Stocks to Start a Self-Directed Retirement Plan

Description

Canadian savers are using their RRSPs to build portfolios of top stocks to help them meet their [retirement](#) goals.

Royal Bank

Royal Bank ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest bank by [market capitalization](#) and one of the top 10 in the world. The financial giant earned more than \$16 billion in profits in fiscal 2021. Fiscal Q1 2022 results came in strong as well. Royal Bank reported net income of \$4.1 billion for the three months ended January 31, 2022. That was \$248 million, or 6%, better than the same period last year. Return on equity (ROE) was a solid 17.3%.

Personal and commercial banking net income increased 10%, driven by strong residential mortgage growth. Wealth management net income rose 24%. Capital markets activities, which include investment banking, generated \$1.03 billion in net income in the quarter. This was down 3% from the previous year.

Royal Bank is sitting on significant excess cash it built up to ride out the pandemic. The company is spending \$2.6 billion on a wealth management acquisition in the United Kingdom. Investors could see more deals emerge. Royal Bank is also using some of the cash to repurchase stock, and the board gave investors a dividend increase of 11% for 2022.

The share price looks attractive after the recent pullback from the 2022 high. Investors who buy at the time of writing can get RY stock at a reasonable 12.25 times trailing earnings and earn a 3.5% dividend yield.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) has a diversified portfolio of power generation and energy infrastructure assets valued at more than \$100 billion.

The company put \$4.1 billion in new assets into service last year, and another \$6.5 billion is on track for completion in 2022. This is part of a \$24 billion capital program through 2026. EBITDA is expected to grow at 5% per year over the medium term. That should support annual dividend increases of 3-5%. The board raised the payout by 3.4% for 2022. It was the 22nd straight year that TC Energy has increased the distribution.

TC Energy's core business is natural gas transmission and storage. The natural gas market is expected to be strong for decades, as countries turn to the fuel to replace oil and coal for power production.

Wind, solar, and hydroelectric facilities have limitations due to changing weather patterns, so there has to be reliable power generation in place to meet demand surges or weak renewables production.

North American natural gas is in high demand. TC Energy has the infrastructure in place or under construction to transport natural gas from producers to liquified natural gas (LNG) plants, where the fuel is shipped to international buyers.

TC Energy pays a quarterly dividend of \$0.90 per share. That's good for a yield of 5% at the time of writing.

The bottom line on top TSX stocks for RRSP investors

Royal Bank and TC Energy have generated attractive long-term total returns for RRSP investors and should continue to be top anchor picks. If you have some cash to put to work these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TRP (Tc Energy)
3. TSX:RY (Royal Bank of Canada)
4. TSX:TRP (TC Energy 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

2025/08/20

Date Created

2022/04/20

Author

aswalker

default watermark

default watermark