Early Retirement Is Achievable if You Start Investing in Stocks Today

Description

Most working professionals often daydream about early retirement. While early retirement might seem like a far-fetched dream at first, it's achievable if you take the right steps at the right time. Stock investing could be one of the best ways to help you multiply your hard-earned savings and achieve your goal of retiring early without financial worries.

When building your stock portfolio for retirement planning, you should have a balanced mix of high-yielding dividend and growth stocks. Before I highlight two such Canadian stocks to buy right now, let's find out why it could be the right time to start preparing for your early retirement.

Stock investing for early retirement

Apart from picking the right stocks to invest in, it's always a good idea for long-term investors to buy stocks when they're undervalued. After reaching new record heights earlier this year, the Canadian stock market has witnessed a sharp correction lately. This correction is mainly fueled by macro factors like continued supply chain disruptions, geopolitical tensions, high inflation, and fears of a potential recession.

After the recent big selloff across sectors, many fundamentally strong dividend and growth stocks have started looking really cheap. That's why it could be the right time for long-term investors to build their stock portfolio for their early retirement goals. Now, let's take a closer look at two TSX stocks that I find worth buying right now for the long term.

Pembina Pipeline stock

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is a Calgary-based energy transportation servicescompany with a market cap of $24.9 billion. Its stock currently trades at $45.43 per share with about18.4% year-to-date gains. Its strong dividend yield of around 5.7% makes it one of the most attractivedividend stocks to buy for early retirement planning — especially after it has seen about a 13%correction in the last 10 days.

In the March quarter, Pembina's total revenue jumped by 48.6% YoY (year over year) to $3.04 billion. With the help of surging natural gas liquids and crude oil prices, its profitability significantly improved, as it registered a 58.8% YoY increase in its adjusted earnings to $0.81 per share. This strong growth trend in Pembina Pipeline's financials will likely continue as prices and demand for energy products remain strong with the ongoing post-pandemic economic recovery.

Magna International stock

Magna International (TSX:MG)(NYSE:MGA) is an auto parts firm with a market cap of about $21.5 billion. Its stock has seen a 28% value erosion in 2022 to around $73.69 per share due mainly to the negative impact of continued supply chain disruptions. MG stock currently has a decent dividend yield of around 2.9%.

In the March quarter, Magna reported a 5.3% YoY decline in its total revenue to $9.6 billion, as the global light vehicle production and assembly volumes remained low. This factor, along with its increased production input costs, drove its earnings down by 32.3% YoY for the quarter. Nonetheless, Street analysts expect the company's earnings to stage a sharp recovery in the second half of the year with the help of gradually subsiding supply chain constraints.

While this factor can potentially drive a sharp recovery in Magna stock in the coming months, its continued investments in mobility technology boost its long-term growth outlook as well. That's why investors can consider adding this growth stock on the dip to their early retirement planning stock portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:MG (Magna International Inc.)
4. TSX:PPL (Pembina Pipeline Corporation)

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