



RRSP Investors: 2 Top Total-Return Stocks to Build Retirement Wealth

Description

Canadian savers are searching for top stocks to add to their self-directed RRSP portfolios. The correction in the TSX over the past few months is finally giving investors a chance to buy top Canadian stocks at [undervalued](#) prices.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) generated a 20% gain in profits in 2021, and 2022 is off to a good start. The company reported adjusted Q1 earnings of \$1.7 billion, or \$0.84 per share, compared to \$1.6 billion, or \$0.81 per share, in the same period last year. Distributable cash flow (DCF) increased to \$3.1 billion from \$2.8 billion in the first three months of 2021.

Growth continues across the asset portfolio. The natural gas utility businesses will add 40,000 new customers in 2022. Enbridge is benefitting from the US\$3 billion it spent to buy an oil export facility late last year and is making good progress on the offshore European wind project in France, with the first turbines expected to go into service later this year.

DCF is expected to grow by 5-7% annually over the next three years. This should support steady distribution increases. Enbridge is using excess cash to buy back up to \$1.5 billion in stock under the current share-repurchase plan.

The stock is down to \$54 at the time of writing from the 2022 high above \$59.50. The dip provides investors with a good opportunity to buy Enbridge at a cheap price and secure a solid 6.4% dividend yield with decent payout growth on the way.

Long-term RRSP investors have done well with Enbridge. A \$10,000 investment in ENB stock 25 years ago would be worth more than \$255,000 today with the dividends reinvested.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is Canada's largest communications firm with wireline and wireless infrastructure providing Canadian households and businesses with internet, TV, and mobile services. BCE also owns a media business that is home to a television network, specialty channels, radio stations, interests in sports teams, and digital platforms.

The ubiquity of the BCE assets means that every time a Canadian makes a phone call, sends a text, receives an e-mail, listens to the weather report, watches the news, or streams a movie, the odds are pretty good that BCE is involved somewhere along the line. That's a very powerful business.

BCE is making the investments needed to ensure its customers continue to have the broadband capacity they need for work or entertainment. The company expects to connect another 900,000 buildings with fibre optic lines this year and is expanding the [5G](#) wireless network.

BCE has reliable revenue streams and generates adequate free cash flow to support steady dividend growth. The stock looks undervalued at the current price near \$63 per share compared to the \$74 it traded at earlier this year. Investors who buy now can pick up a 5.8% dividend yield.

A \$10,000 investment in BCE stock 25 years ago would be worth about \$200,000 today with the dividends reinvested.

The bottom line on top TSX stocks for total returns

BCE and Enbridge are leaders in their industries and pay attractive dividends that should continue to grow. If you have some cash to put to work in a self-directed RRSP, these stocks appear cheap today and deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

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