

The Forecast to End All Forecasts

Description

It's that time of year, and even though tempestuous forecasting isn't really my thing, I've decided to throw my hat into the ring of prognostication. And, following the sage words that many a wise man has spoken, I've decided to "Go Big, or Go Home." Thus I'll begin the revelry by boldly forecasting that every one of these forecasts (argh!) will come to pass.

Here are three more courageous predictions about what is going to happen in the year 2013.

Prediction #1

Canadian telecom and media giant **BCE Inc.** ([TSX:BCE](#)) will pay its dividend on time and at a level no lower than the current rate – that's a quarterly payment of \$0.5675 per share for a yield at today's price of 5.34%. And, to take it even further, BCE will not be alone in accomplishing this feat. Dozens, maybe even hundreds of companies in the S&P/TSX Composite will do the same. That's right. You heard it here first! Not all of these dividend paying companies offer the same juicy yield that BCE does, but earning a reliable dividend takes at least some of the pressure off the capital gains component of the total return equation. The world is, for the most part, an unpredictable place. Dividends from solid corporations are not. Reduce uncertainty in your portfolio by owning stocks that pay a reliable dividend.

Prediction #2

Every single company listed on the S&P/TSX Composite will see its stock price fluctuate over the course of 2013—and, *in most cases, these fluctuations will have absolutely no bearing on the long term viability of those companies.* This however will not stop the mass media from filling the airwaves and printing presses with "news" about how XYZ Corp. was down 1.5% today due to a flock of geese being spotted flying north when Groundhog Willy indicated there were 6 more weeks of winter. Ignore the noise! It is meaningless. Own companies that produce or provide goods and services that are necessary components of day to day life. For instance, regardless of what its stock price does, **CN Rail** ([TSX:CNR](#)) is still going to be providing critical transportation solutions for North American corporations better than anybody else can for a very long time. Nothing that is going to occur in 2013, or 2014, or 2020 for that matter, is going to alter CN's position. That's a good recipe for long term investing success.

Prediction #3

By far the grimmest of the three predictions. We will continue to live in "uncertain" times. This, by the way, makes us no different from any other collection of humans that have inhabited this planet. Armed conflicts will happen, tragic sickness will spread, government gridlock will continue, and Mother Nature is sure to be unkind. Deal with the uncertainty by diversifying your portfolio. For instance, **Teck Resources** ([TSX:TCK.B](#)) is the biggest diversified mining company in Canada and is a well-respected entity, however, much of its fate is tied to the Chinese economy. Investors should not have a

disproportionate share of their savings tied to a company that is so dependent on a singular, relatively unpredictable variable. Spread your wealth around so that you aren't entirely exposed if and when any one of a multitude of "uncertain" events transpire.

The Foolish Bottom Line

There you have it. Three Foolish predictions for 2013. Outrageous? Nope. Surprising? Not really. **But that's how we think it should be.** Investing is sometimes tough, but it can be made easier by following simple rules of thumb like the ones laid out above. So enjoy the wild speculations forecasters bandy about—but take them for what they are: entertainment, not investment advice.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:TECK.B (Teck Resources Limited)

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