



Invest in These 3 No-Brainer Stocks

Description

As humans, we tend to make things too complicated. Take, for instance, weight loss. Millions of Canadians would like to drop a pant size or two. On the surface, it should be easy. Of course, it isn't the process that gets in most folks' way, it's the execution. Committing to a healthy lifestyle is difficult when everywhere you turn is another delicious and unhealthy food. That temptation constantly trips us up.

We can look at investing the same way. Business media bombards investors with the latest news, as market pundits attempt to decode every market movement. There are thousands of different companies that trade on North American stock exchanges, each with its own different story. That's a lot of noise for investors to cut through.

Which is why it's helpful to step back and forget about all the little details. Sure, some of those details will end up as big deals, but mostly, they won't matter. Let's focus on three Canadian companies with simple businesses and long track records. They're the closest thing to no-brainers in the investing world.

Telus

Telus ([TSX: T](#))([NYSE: TU](#)) released earnings today. The company reported solid results, a growth in subscribers, and a dividend hike. Ho-hum, just another boring day for Telus shareholders.

Telus truly is one of Canada's elite brands. The company dominates Alberta and B.C.'s home phone and internet markets, and is currently rolling out its television services across the west as well, already signing up almost a million homes. Oh, and its wireless service just passed **BCE** ([TSX: BCE](#))([NYSE: BCE](#)) as Canada's second largest carrier, thanks to growth in Ontario and Quebec, the company's non-traditional markets.

The company's success has dividend investors salivating, since it intends to raise its quarterly payout twice a year up until 2016. It has already grown dividends by more than 50% during the past five years. That, combined with a 3.7% current yield, makes Telus very attractive for dividend investors.

Fortis

What's a bigger no-brainer than a rock solid utility company that has increased dividends for 41 consecutive years? You won't hear any complaints from **Fortis** ([TSX: FTS](#)) investors that the company is too boring.

The firm owns a bevy of Canada's best power assets, with operations also in the United States, and the Caribbean. It currently has more than \$18 billion in assets and has just closed a \$4.3 billion acquisition of **UNS Energy Corporation**, which will bolster the company's assets south of the border.

The company currently pays out a 3.9% dividend, with the previously mentioned stellar track record. Fortis keeps the payout ratio stable in the 60-70% range, meaning it just needs minimal earnings increases to keep that 41-year streak alive.

Loblaw

Is there anything more dependable than selling groceries? We all have to eat.

Yes, competitors are making things tough on **Loblaw** ([TSX: L](#)), but the company is fighting back. It's \$12 billion acquisition of Shopper's Drug Mart strengthens the company in perhaps the only two areas it was weak — in pharmacy and inner city locations. Loblaw has been controlled by the Weston family for a century. They know what they're doing.

Shoppers in any of Loblaw's stores are treated to some of the lowest prices in Canada, yet the company still enjoys margins as healthy as any of its competitors. This shows just how good management is at operations, and this should lead to improvements at the newly acquired Shopper's stores.

After a few issues, Loblaw has resumed hiking its dividend, now up to 25 cents a quarter. That's a yield of over 2%, solid for a company digesting a huge acquisition. Look for the dividend to increase in the next couple of years as Shopper's results start flowing to the bottom line.

As much fun as it is to invest in a sexy new technology, sometimes investors have to just go back to basics and look at boring companies with huge moats and dependable cash flows. It's not the kind of thing you'd brag about at a cocktail party, but it works. And isn't that all that matters?

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:FTS (Fortis Inc.)
3. TSX:L (Loblaw Companies Limited)
4. TSX:T (TELUS)

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