



3 Rock-Solid Canadian Companies Yielding up to 4.2%

Description

In the quest to improve returns, investors will do all sorts of silly things. There are thousands of different strategies, each with varying degrees of failure and success, each seemingly more complicated than the last. Strategies range in styles from value to growth, with everything in between.

And they're all terrible.

OK, that's not exactly true. There are plenty of strategies that, when used effectively, can help investors beat the market. The problem? It's mostly with investors. We're impatient creatures, jumping from method to method. One minute we might be looking at undervalued stocks trading at less than book value, the next we're jumping on the next sexy growth story. We're far too likely to hang onto our losers and cut the cord too early on our winners. Essentially, we're our own worst enemies, because we're illogical humans.

Which is why most investors should choose a simple strategy. They should buy high quality companies, and hold on for the long term. They shouldn't necessarily ignore their investments completely, but should pay special attention to a particular piece of advice billionaire investor Warren Buffett is known for giving: Only buy something that you'd be perfectly happy to hold if the market shut down for 10 years.

With the Oracle of Omaha's advice in mind, here are three stocks investors should be happy to hold for the long term.

Rogers Communications

Shares in **Rogers Communications** ([TSX: RCI.B](#))([NYSE: RCI](#)) have performed relatively poorly compared to others in the sector over the last year, giving investors an opportunity to buy a wonderful company at an attractive price.

The company has terrific assets. It is still the largest wireless provider in Canada, and recently paid a pretty penny to beef up its spectrum in Canada's largest markets. It also is a major player in home phone and television service in Ontario, the largest market in Canada. Plus, it has an enviable portfolio

of media and sports assets, with an assortment of television channels, radio stations, and some of the most valuable sports franchises in the country.

The company's moat is outstanding. Even if another wireless company tries to become our fourth national carrier, there's a lot of work to do before it becomes anything more than an annoyance for Rogers. The company has great pricing power too, as any customer can confirm. These two things make the company's future — and its 4.2% dividend — look extremely secure.

Suncor

If you think getting reliable energy from trusted sources is important now, just wait a few decades until many of our other sources of oil are tapped out.

This long-term trend is easy to play. **Suncor** ([TSX: SU](#))([NYSE: SU](#)) is the largest producer in Alberta's oil sands, pumping out more than 400,000 barrels of bitumen every day. The company has been producing in the region since the mid-1970s, meaning it has both experience in the area and is one of the lowest cost operators.

Suncor trades under book value, has consistently grown both revenue and earnings, and has a 2.0% dividend yield which has more than doubled since 2009. It's payout ratio is well under 40%, meaning long-term investors should be treated to plenty of dividend hikes over the upcoming years.

Potash Corp.

As the world's population grows, so does the need to produce enough food to feed everyone. Both Canadian and U.S. farmers stand to benefit, as does **Potash Corp.** ([TSX: POT](#))([NYSE: POT](#)), one of the world's largest potash miners and fertilizer manufacturers.

Shares got hit about a year ago now, when a large Russian producer announced it would no longer participate in the world's potash cartel. In hindsight this was a terrific buying opportunity, since prices for the mineral have bounced back after tanking. Still, demand looks strong going forward, especially as more farmers start reentering the sector.

The company has terrific profit margins, a growing 3.7% dividend, and is the dominant player in its market. These are all terrific qualities for any long-term investment.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:RCI.B (Rogers Communications Inc.)
4. TSX:SU (Suncor Energy Inc.)

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Date

2025/07/27

Date Created

2014/07/02

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