3 Stocks You Can Safely Hold for 30 Years

Description

In Canada, there are lots of investors with a 30-year-time horizon. This may include people in their 30s saving for retirement, or new retirees who want to leave something for their heirs.

Unfortunately, it's so hard to tell where companies will be in 30-years' time. Just look at how much the world has changed in the last three decades. Seemingly invincible companies such as Eastman Kodak and Blockbuster have gone under, wiping out billions in hard-earned savings. So, what is a long-term investor to do?

Fortunately, there are some companies that will surely stand the test of time. We take a look at three such companies below.

1. CN Rail

If you're looking for a sustainable business model, you should start with the railroads. After all, these companies are completely immune from new competition—the cost to lay down all that track is prohibitive for new entrants. It's no wonder **Canadian National Railway Company** (TSX:CNR)(NYSE:CNI) has been around for nearly a century.

CN has a couple of advantages over its rivals. First of all, it's historically been the most efficient of rail companies. Even if industry costs rise, its competitors will be hit worst. Second, CN has arguably the best track network. It's the only one that reaches all three coasts (West Coast, East Coast, and Gulf Coast), and bypasses the congested Chicago area. So, CN is able to more effectively serve its customers, and this will not change for a long time.

There are currently concerns about the crude-by-rail market, as well as increasing regulation. However, in 30 years, these issues will be long forgotten, and CN will still be around. Long-term investors, take note.

2. TD Bank

Down in the United States, banking is risky, very competitive, and comes with few profits. Canada is a different story—with relatively few competitors and a more conservative approach, our banks are stable money-makers. **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is a perfect example.

Ever since an awful year in 2002, TD has made risk management a top priority, and shareholders have reaped the rewards. The bank even managed to avoid the sub-prime mess in the United States. Meanwhile, TD has focused on providing top-notch customer service.

As long as Canadians need loans and a place to store their savings, TD will be around and thriving. Once again, it's a great choice for any 30-year portfolio.

3. Loblaw

In Canada, many companies are in boom-or-bust sectors like energy or mining. **Loblaw Companies Limited** (TSX:L) is an exception. Think about it: we all need to eat, no matter how the economy is doing.

There are other factors working in Loblaw's favour. The Canadian grocery is dominated by three players, ensuring that competition doesn't get too intense. Loblaw is the industry leader, meaning it has plenty of bargaining power over suppliers. If that wasn't enough, its lead is protected by a shortage of prime real estate.

So, in 30-years' time, I would expect to see Loblaw's thriving as always.

CATEGORY

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2. NYSE:TD (The Toronto-Dominion Bank)
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