



Dividend Investors: 2 Top Stocks to Buy and Hold for Decades

Description

Investors are always searching for top stocks to add to their dividend portfolios.

Let's take a look at why **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) should be on your radar.

BCE

BCE has transformed itself from a telephone company to a media and communications powerhouse with assets that include a television network, specialty channels, sports franchises, radio stations, retail outlets, and Internet portals.

The transition has been viewed with skeptical eyes from long-term holders of the stock, but the timing of the transition appears to be right on the money.

Why?

Canadians are demanding real-time access to their favourite content across multiple platforms on a 24/7 basis. The move to acquire assets all along the value chain ensures BCE remains in contact with users at as many points of contact in the system as possible.

Management has done such a good job that most Canadians now interact with a BCE product or service on a weekly, if not daily, basis. In fact, any time someone in this country sends a text, streams a movie, checks e-mail, watches the news, or listens to the weather report, the odds are pretty good that BCE is involved somewhere along the line.

BCE continues to expand its reach with the recently announced deal to acquire **Manitoba Telecom Services** for \$3.9 billion. Some pundits think the acquisition won't be approved, but BCE plans to invest heavily in much-needed upgrades and is selling off part of the wireless assets to **Telus**. As a result, I think the deal will get the green light.

BCE generates significant free cash flow and pays out a healthy dividend. The current distribution

provides a yield of 4.5%.

TransCanada

TransCanada endured a rough 2015, but the stock is bouncing back, and dividend investors can still pick up the shares at an attractive price.

What's going on?

President Obama's rejection of the Keystone XL pipeline was a serious setback last year, and the negative news combined with the ongoing oil rout extended a sell-off in the stock. The Keystone decision was a disappointment for shareholders, but TransCanada isn't reliant on a single project to secure growth.

Management just signed a deal to acquire U.S.-based **Columbia Pipeline Group** for US\$13 billion. This gives TransCanada a solid foothold in the growing Marcellus and Utica shale plays as well as strategic infrastructure running from Appalachia to the Gulf Coast.

Organic growth is also on track. TransCanada has \$13 billion in development projects that will be completed and in service by 2020, as well as a \$45 billion portfolio of longer-term commercially secured projects including the \$15.7 billion Energy East pipeline.

The company plans to increase the dividend by 8-10% per year through 2020, and investors already get an attractive payout with a 4.3% yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:BCE (BCE Inc.)
4. TSX:TRP (TC Energy Corporation)

Category

1. Dividend Stocks
2. Investing

Date

2025/09/13

Date Created

2016/05/23

Author

aswalker

default watermark