



Dividend Seekers: 2 Top Stocks to Buy and Hold in Your TFSA for Decades

Description

Canadian investors are searching for quality dividend-growth stocks they can hold inside their TFSAs without having to check the share price every day to make sure they aren't losing their shirts.

Let's take a look and **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) and **Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)) to see why they might be attractive picks.

Enbridge

Enbridge is in the process of buying **Spectra Energy** for \$37 billion.

The combined firm will be North America's largest energy infrastructure company with oil and gas assets located all over Canada and the United States.

Enbridge decided to buy Spectra because the current slump in the energy sector is putting a pinch on short-term organic growth. The company is also running into strong resistance on some of its major pipeline initiatives.

The Spectra deal brings significant natural gas assets as well as \$10 billion in commercially secured development projects. This boosts the near-term development portfolio to \$26 billion, which should ensure Enbridge has enough work to keep it busy, while the energy sector works through its slump.

As the new assets are completed and go into service, Enbridge expects cash flow to increase enough to support annual dividend growth of at least 10% through 2024.

The stock currently provides a yield of 3.6%.

CN

CN is the only North American railway that can offer its customers access to three coasts. This is an important strategic advantage that is unlikely to change.

Why?

Mergers in the industry tend to hit large regulatory roadblocks, and new lines are not going to be built along the existing routes.

CN could probably sit back and rely on its wide moat, but the company works very hard at reducing expenses and improving efficiency. In fact, CN is widely viewed as the best-run railway on the continent.

The business generates carloads of free cash flow, and management is generous when handing out the profits to investors through share buybacks and rising dividends.

The yield is only 1.2%, but CN's compound annual dividend-growth rate of about 17% over the past two decades makes it one of the top dividend-growth stocks in Canada.

Is one a better bet?

Both Enbridge and CN are great buy-and-hold stocks and deserve to be in any TFSA portfolio.

Six months ago, I would have given CN the edge, but the stock has rallied to the point where I would say it's probably a coin toss between the two names today.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:ENB (Enbridge Inc.)

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