



2 Top Dividend Stocks to Buy Today and Hold for Life

Description

A successful investing strategy, in my view, isn't a rocket science. It's all about becoming a partner in a company you think has a long-term potential.

Many top brains in the financial world buy a few good stocks, keep reinvesting the dividends they get, and hold on to them. This is what the world's most successful value investor, Warren Buffett, does for living.

That said, the most challenging part in this strategy is to pick stocks that can survive in a changing world economy. To explain this concept to readers who are curious to learn about investing in stocks, I have picked **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) — two top dividend stocks that are known for their stability and growing income potential. Let's take a deeper look.

TD Bank

Canada's top banks have rarely disappointed long-term investors. They have proven to be solid investments, even during the height of the 2008 Financial Crisis when the U.S. banks were collapsing. And [TD](#), Canada's second-largest lender, is certainly one of the top lenders that you can hold on to in your forever portfolio.

The reason that I like TD for long-term investment is this lender's superior returns and its diversified operations. You may be surprised to know that TD has more branches in the U.S. than it has in Canada. It's among the 10 largest banks operating in the world's largest economy.

This unique position in both Canada and the U.S. has allowed TD to deliver returns that exceed many analysts' expectations. Its dividends have grown about 11% on annualized basis in the past two decades, putting the lender among the top dividend payers in Canada. And with a relatively safe payout ratio of between 40% and 50%, TD is well positioned to reward its investors going forward.

During the past 12 months, TD stock has been the best performer among the group of top five lenders in Canada. And I think the bank will continue to benefit from its strong presence in the U.S., making it

an ideal pick for your long-term portfolio.

Enbridge

After taxes and death, there is one other thing that's certain in life, and that's your utility bills. Due to the predictability in their cash flows, energy infrastructure companies are my top picks for investors who want to buy and hold on to their stocks.

Let's take a look at Enbridge, North America's largest energy infrastructure company, with this angle. Enbridge is Canada's largest natural gas distribution provider, with about 3.7 million retail customers in Ontario, Quebec, New Brunswick, and New York State.

On the logistics side, Enbridge operates the world's longest crude oil and liquids transportation system in North America, gathering, transportation, processing and storage of natural gas.

This strength in its business has benefited long-term investors. Over the past 20 years, [Enbridge's](#) dividend has grown at an average compound annual growth rate of 11.7%. Going forward, Enbridge is expecting 10% growth in the annual dividend through 2020, as it undertakes \$22 billion in development projects.

The bottom line

Investing in stocks such as TD Bank and Enbridge is a proven way to build your wealth over the long run. It's better to keep invested in these stocks once you have bought them. As the years tick by, you'll realize how quickly your wealth is multiplying thanks to growing dividends and the power of compounding.

CATEGORY

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:ENB (Enbridge Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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Date

2025/07/05

Date Created

2018/08/30

Author

hanwar

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