



## TFSA Investors: 3 Top Oversold Dividend-Growth Stocks to Own for 30 Years

### Description

Investors with a buy-and-hold strategy view market volatility and broad-based downturns as positive opportunities to add top-quality companies to their TFSA portfolios.

The best names to search for are market leaders with strong businesses and potential for long-term revenue and cash flow growth.

Let's take a look at three companies that are down to the point where they might be attractive [TFSA](#) buys.

#### **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#))

CNRL reported record Q2 2018 funds from operations of \$2.7 billion, supported by the company's balanced resource base that includes light and medium crude oil, heavy crude oil, oil sands, natural gas, and natural gas liquids assets.

Long-life, low-decline assets represent the bulk of the operations, and CNRL holds vast land positions in top plays that have the potential to produce for decades.

The company enjoys a strong balance sheet and tends to have 100% ownership in its projects. This gives management the flexibility to shift exploration capital to the highest-return opportunities on a quarter-by-quarter basis.

Free cash flow in the first half of 2018, after dividend requirements, came in at \$2.2 billion. The company raised its distribution by 22% earlier this year and is using a good chunk of the extra funds to buy back shares.

The current payout provides a [yield](#) of 3.6%, so you get paid well to wait for a rebound.

#### **Fortis** ([TSX:FTS](#))([NYSE:FTS](#))

Fortis is one of those stocks you can buy for your TFSA retirement portfolio and simply forget about for

decades. The company operates utility businesses primarily located in the United States and Canada, with most of the revenue coming from regulated assets.

Fortis is investing more than \$15 billion in the next five years, and that should boost the rate base enough to support annual dividend growth of at least 6%. Additional opportunities for acquisitions or other organic projects could boost the outlook.

At the time of writing, the stock provides a yield of 4.1%.

Fortis has bounced off the recent low of \$41 per share to \$43.50, but more upside should be on the way. The 12-month high is close to \$49.

### **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#))

CIBC has more exposure to the Canadian housing market than its peers, which is a big reason why the stock trades at a discount to the larger banks. The recent sell-off in the stock from \$124 four weeks ago to the current price of \$112 is indicative of the volatility that comes with this name, but the pullback is starting to look overdone.

CIBC spent more than US\$5 billion last year to buy Chicago-based PrivateBancorp. The deal helped balance out the revenue stream, and investors could see additional acquisitions in the wealth management space south of the border. As a result, the discount the market is putting on the stock appears a bit steep.

CIBC is very profitable and its generous dividend should be safe. More downside could be on the way in the near term, but this stock should perform well over the long haul and you get paid a nice 4.8% yield today.

### **The bottom line**

CNRL, Fortis, and CIBC should be attractive TFSA picks for a buy-and-hold dividend portfolio. If you have some cash sitting on the sidelines, it might be worthwhile to start nibbling on these stocks while they remain out of favour.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:FTS (Fortis Inc.)

4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:FTS (Fortis Inc.)

## **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## **Category**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

## **Tags**

1. Editor's Choice

## **Date**

2025/08/20

## **Date Created**

2018/10/29

## **Author**

aswalker

default watermark

default watermark