2 TSX Stocks You Can Buy and Forget

Description

Investing in the stock market can be a time-consuming affair. Between following the news, researching investments and making trades, it's easy to spend far too much time on your investments. If you're an active trader, investing can become like a second job. But it doesn't have to be.

By investing for the long term, with only moderate gains in mind, you can dramatically cut down on the amount of time you spend fretting about your portfolio.

Of course, investing defensively with a buy and forget strategy means that you'll miss some of the opportunities for quick gains that active traders can take advantage of. On the other hand, you'll save time and spare yourself some brokerage account fees.

In truth, defensive investing is probably the best strategy for most regular people who don't have the patience for chart reading or fundamental analysis. With that and mind, here are two picks that are about as close to buy and forget plays as you're likely to find on the TSX.

Canadian National Railway (TSX:CNR)(NYSE:CNI)

Canadian National Railway has a lot going for it. Operating several long train lines across North America, it's one of Canada's oldest and most prestigious companies. While the company has faced scrutiny for inadequate operating capacity and missed shipments, it still pounds out money quarter after quarter. In Q3, the company posted record revenue with 14% year-over-year growth.

The stock pays a dividend whose yield is not very high, but is growing rapidly year after year. And with a 42% profit margin, a 34% return on equity and a P/E ratio in the low teens, it's no surprise that Bill Gates has a huge chunk of his net worth invested in this stock.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD)

TD is one of Canada's best-known banks. It's not the cheapest among the big five, nor does it pay the fattest dividend, but it makes up for that in growth. Although **RBC** is bigger than TD, the latter has more room for expansion because of its strong presence in the U.S.

TD grew its earnings at 12.7% year over year in the most recent quarter, which is phenomenal for a large, established bank. Add to that a P/E ratio of about 12 and a 3.7% dividend yield and you've got the makings of a real buy and forget stock.

Bottom line

When it comes to investing, it always pays to do your homework. Even if you're investing in index funds, you should check in on your holdings from time to time to see how they're doing. But you can cut down on the need for active research by buying assets with solid competitive position and an extremely long track record of growth.

The two stocks mentioned in this article are far from foolproof, but are excellent additions to any long-term oriented portfolio.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Investing

Date
2025/09/13
Date Created
2018/11/06
Author
andrewbutton