3 TSX Index Stocks to Buy Now and Own for 30 Years in Your TFSA

Description

Volatility has returned to the TSX Index, which has investors wondering which stocks might be the best picks during times of market uncertainty.

Let's take a look at three companies that should be interesting buys right now for your TFSA retirement portfolio.

Waste Connections (TSX:WCN)(NYSE:WCN)

Waste Connections is a solid waste business that collects, transfers, and disposes of residential and commercial garbage and recycling products.

The company just reported strong Q3 2018 results. Revenue rose to $1.28 billion from $1.21 billion the previous year. Net income rose to $151 million, or $0.57 per share compared to $123 million, or $0.47 per share.

Waste Connections has traditionally grown through acquisitions and that trend is expected to continue as the Canadian and American waste collection markets consolidate. The 2018 deals alone will add $360 million in annualized revenue.

Management just raised the dividend by 14.3%.

If you are looking for a buy-and-forget stock for your TFSA, Waste Connections should be on your radar.

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

TD is widely viewed as the safest pick for investors among Canada's large banks due to its heavy focus on retail banking activities. TD is best known for the Canadian operations, but the U.S. group has grown significantly over the past decade and now has more branches than the Canadian business.

The U.S. division provides investors with a nice revenue balance to help offset any difficult times that might hit the Canadian economy. In fact, the American group generates more than 30% of TD's net income.

TD rarely goes on sale, but the company's stock has pulled back more than 10% in the past two months, giving investors an opportunity to pick up the bank at an attractive price.

TD raised its dividend by nearly 12% in 2018 and has a 20-year compound annual dividend growth rate of more than 10%. Earnings are expected to increase by 7-10% per year over the medium term, so the strong trend should continue. The current payout provides a yield of 3.8%.

Suncor (TSX:SU)(NYSE:SU)

Suncor is much more than an oil sands producer. The company also owns four large refineries and operates more than 1,500 Petro-Canada retail locations. These "downstream" assets provide a great hedge against falling oil prices, as they tend to benefit from the lower input costs and can generate strong margins on the refined products.

Suncor reported strong Q3 2018 results and recently increased its share buyback program from 3% to 5% of its outstanding common stock. The 2018 dividend increase was 12.5%, and investors should see another big hike next year. At the time of writing, investors can pick up a yield of 3.3%.

The stock is down about 20% from the 2018 high primarily due to a dramatic drop in oil prices since early October. Additional near-term downside could be on the way, but the dip appears overdone, and we could see a sharp bounce next year as U.S. sanctions against Iran begin to hit global supplies.

The bottom line

Waste Connections, TD, and Suncor are all leaders in their respective markets. The three companies are delivering strong revenue growth and should continue to increase their dividends at above-average rates. If you have some cash sitting on the sidelines in your TFSA retirement portfolio, these stocks should be attractive buy-and-hold picks today.

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