RRSP Investors: 3 Buy-and-Hold Stocks for 2019 and Beyond

Description

Market turbulence in recent months has served as a reminder that investing comes with some tense moments.

Volatility should be expected, and savvy investors who own top-quality companies normally just tune out the noise. At the same time, there is value in adding good businesses to the RRSP portfolio that tend to hold up well or become great buys when the market hits a rough patch.

Let's take a look at three stocks that should help you sleep well at night for the next 20 or 30 years.

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

The collection, transfer, and disposal of garbage and recycling products might not be very exciting, but it is a business that has staying power and is relatively immune to economic fluctuations and geopolitical turmoil.

Waste Connections continues to grow through strategic acquisitions as the broader industry consolidates in Canada and the United States. In fact, it just closed the purchase of privately owned American Disposal Services, a company operating in Virginia, Maryland, Georgia, and Colorado that serves 400,000 customers.

Waste Connections reported strong Q3 2018 results supported by higher volumes and better pricing. Adjusted net income for the quarter came in at $182 million compared to $158 million in the same period last year.

Free cash flow is robust, and the company just announced a 14.3% increase to the dividend.

Waste Connections started 2018 near $88 per share and currently trades above $103. That's not far off the high of $107.

Fortis (TSX:FTS)(NYSE:FTS)

Fortis owns natural gas distribution, power generation, and electric transmission assets. The company began as a small utility in eastern Canada but has grown significantly through acquisitions and organic projects to become one of the top players in the sector in Canada and the United States with $50 billion in assets and three million customers.

Fortis made large purchases in the U.S. in recent years that diversified the company's geographic base. The American businesses now account for more than half of the company's revenue.

Fortis has a $17.3 billion capital program on the go that should drive enough cash flow growth over the next five years to support dividend increases of 6% per year. The company has raised the payout every year for more than four decades. The current payout provides a yield of 3.8%.

At the time of writing, the stock trades at $47 per share, which is just shy of the 12-month high.

TD Bank (TSX:TD)(NYSE:TD)

TD generated $3 billion in profit in the latest quarter, and the good times appear set to continue, despite market concerns about a potential housing bubble in Canada.

TD gets about a third of its profits from the American operations, which actually has more branches. this provides a nice hedge against any downturn in Canada and gives investors good exposure to U.S. growth.

The stock is down to $70 per share from the 2018 high of close to $80. TD rarely goes on sale, so this might be a good time to add the bank to your RRSP.

The company has a compound annual dividend-growth rate of better than 10% over the past 20 years, and the trend should continue.

New mortgage rules in Canada are benefiting the big banks and rising interest rates are generally a net positive for TD and its peers as they boost overall net interest margins.

The current dividend payout provides a yield of 3.8%.

The bottom line

Waste Connections, Fortis, and TD are all solid companies that should continue to be attractive buy-and-forget picks for a self-directed RRSP portfolio.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:WCN (Waste Connections)
4. TSX:FTS (Fortis Inc.)
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