Sit-on-Your-Bum Investors: 2 TSX Index Stocks I'd Buy Now With the Intention of Holding Forever

Description

Your portfolio has probably taken a huge hit to the chin over the past few months, and although it's tempting to postpone the dip buying that you told yourself you would have done if the markets flopped 15-20%, now is not the time to lower the bar for whatever reason that has you thinking this recent market plunge is "different this time."

Sure, buying the dip hasn't been as effective in the near term as has been in the past, but from a longer-term perspective, this dip (or crash) could realistically end up being one of the best generational opportunities for investors since the Financial Crisis of 2008.

So, with that in mind, you should buy with the assumption that you'll get hurt over the near term in exchange for bigger positive moves at some unknown point down the road. Take your "trader" hat off and start looking at stocks as pieces of businesses, and you'll find that a long-term approach will pay much larger dividends in the grander scheme of things.

Without further ado, here are two forever stocks that'll require you to do nothing but sit on your bum for years after you've hit that buy button.

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

TD Bank has been battered badly over the last few months in spite the release of a really strong Q4 2018 earnings report, which I thought warranted a major rally.

With the recent market moves being heavily influenced by macro uncertainties, I think most investors have completely ignored TD Bank's strong financial results, as actual financials clearly don't appear to matter as much (or at all) in the recent barrage of panic selling.

The stock trades at 9.8 times next year's expected earnings, which is much lower than the company's five-year historical average P/E multiple of 13.4.

Fellow Fool Kay Ng put it best: TD Bank is a low-risk stock for high total returns at its depressed levels.

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

As investors ditched CN Rail stock to the curb, the company has quietly been making major moves behind the scenes. Management is pulling out all the stops to increase its capacity ($3.5 billion spent on new infrastructure last year) without compromising its industry-leading operating ratio.

Volumes are slated to swell, and CN Rail is ready to capitalize on the feast that's to come later in the year. With CN Rail's trucking capacity bolstered following the acquisition of TransX, the company is doing everything in its power to make sure it's capable of meeting the demands that come with a healthy (albeit slowing) North American economy.

As I've noted in the past, the rails are the heart of the Canadian economy and the truckers are its blood vessels. The economy surges and it slows, and through it all, CN Rail will continue beating strong, rewarding its investors with frequent dividend hikes as the free cash keeps flowing in.

Anytime you can grab CN Rail on a dip, pounce on the opportunity, because over the long term, the busted name always ends up bouncing back.

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Author
joefrenette