



3 Buy-and-Hold-Forever Stocks for a Perfect Portfolio

Description

We all want to make a quick buck, and investing is often the place new investors come to achieve this.

But when making your portfolio, even if you want some of those exciting stocks, you have to create a base that will serve you well over the long run. You know, so you can pay for your child's education or buy that motorcycle during your mid-life crisis. Important things in other words.

Granted, I'm not saying that the stocks you pick won't give you *anything* until you need them. That's why I've chosen these three buy-and-hold-forever stocks. Not only do they offer steady, high returns over the next few decades, but they also have a dividend that'll be cash in your pocket well before you cash out.

Canadian National Railway

A great place to start for any portfolio is with the **Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)). This stock has a proven record of steady growth that goes back decades. Rail is just a preferred method of shipping, and CN has a monopoly shared with few other rail lines in its wide 31,544-kilometre network that stretches through North America.

Part of the reason that CNR has been so steady is it [constantly reinvests in itself](#). The company plans to put a record \$3.86 billion into its infrastructure in 2019. Included in this will be a \$133 million investment in Tennessee to strengthen the company's rail line in that state, making investors happy to know that CN will continue to grow for years. In fact, the company believes over two years that it'll have made a \$7.6 billion capital investment.

In the short term, the company has pumped out stellar performances, with its most recent quarter increasing revenue by 16% to \$1.3 billion of revenue growth, and free cash flow by 38.5% to \$633 million. So again, this stock is set up for great things, but in the meantime, investors can expect a stable dividend of 1.78% at the time of writing that's been increased every year since 1996.

Enbridge

Another great stock that is looking to expand over the next few years is **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)). In the last year, the company has undergone a major overhaul to accelerate its restructuring plan. Enbridge sold assets and paid down debt, surprising investors by completing \$7.8 billion in asset sales while targeting only \$3.8 billion in 2018. The company's debt dropped to 4.7 times EBITDA by the end of 2018, with 4.5 times becoming the next goal for greater financial flexibility.

Enbridge will need that financial flexibility for its major plans. The company recently got the go ahead for its Line 3 replacement and expansion project, with 750,000 barrels of crude expected to be shipped between Alberta and Wisconsin by the latter half of 2020.

But Line 3 is only the beginning. The company has \$16 billion allocated towards expansion projects, the \$9 billion Line 3 project only being the most recent headline. Beyond 2020, the company will put even more money toward expansion, giving investors much more to look forward to.

In the meantime, this stock is trading far below its fair value at about \$49 per share at the time of writing. And with a sweet dividend of 6.04%, you'll be happy to hold onto this stock for decades.

TransCanada

Whereas Enbridge is sticking a bit closer to home, investors have been happy to support **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) for years from its vast network that stretches throughout North America. And again, the company is growing at an alarming rate. In fact, some are worried it taken on [more than it can chew](#), or more than it can fund at least.

The expansion projects total \$36 billion under construction and \$20 billion in development. The projects should grow earnings by 16% over the next three years. In 2019 alone, the company expects to spend \$8 billion on capital projects, which includes the controversial Keystone XL and Coastal GasLink pipelines.

The company has begun paying for these projects by offloading its infrastructure. This includes the sale of its Columbia Midstream unit, a value of about \$1 billion. Once all these projects are online, investors should see huge rewards.

It's the waiting game that can be scary, but at around \$50 per share, this stock is way below its fair value of \$70. And again, there's that dividend of 4.91% that investors should see increase by 8-10% until at least 2021.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)

3. NYSE:TRP (Tc Energy)
4. TSX:CNR (Canadian National Railway Company)
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Date

2025/08/15

Date Created

2019/04/13

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