3 Stocks I'm Buying and Never Selling

Description

Stock investing is two-pronged. You purchase some stocks for trading while you purchase selected equities for the long-term. If I were to choose the ones for keeps, I'd go with three of the best. Owning all of them – a bank stock, an energy stock, and an industrials stock – is a way to achieve long-term financial goals.

Bank stock

Canadian banks are among the most stable institutions in the world. The **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) lands on top of my list. I prefer CM because I have the advantage of capital appreciation and a high-dividend yield of 5.3%.

I'm not surprised to see my prime choice gaining in each of the last four remaining trading sessions this April. The signs are all positive that the stock's performance in 2019 won't be as bad as 2018. CM was already flying up during the third-quarter until it was interrupted by the market downturn in the last quarter.

From a risk perspective, this $50 billion bank is strongly managed. I wouldn't worry too much about big dips. Last year's dip was an exception given the market-wide sell-off. The fears of a recession are fading and the U.S.-China trade dispute is nearing resolution.

Energy stock

Among the energy stocks, I find **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) the most appealing. Similar to Canadian Imperial Bank of Commerce, this $100 billion oil & gas midstream company is a stable institution. The 6.0% dividend yield is respectable and suitable as passive income.

ENB hasn't really exhibited the strength I expected this year, although the stock is already +17.18% better than its year-end closing price. Oil pipeline companies are not as popular as tech stocks, but Enbridge's low-risk business model makes it a viable investment.

Come hell or high water, there's absolutely reason to doubt the company's ability to maintain its dividend payout ratio and sustain dividend payments. Their long-term, fee-based contracts are reassuring and dispel concerns about income generation potential. If the expansion projects go well, a +20% increase in ENB's price is certainly realizable.

Industrials stock

The transcontinental freight railway industry will be around for years on end. That is principally the reason why I'm not ever selling **Canadian Pacific Railway Limited** (TSX:CP)(NYSE:CP). When the stock price breached the resistance level of $300 last week, I feel more secure.

The lower-than-expected Q1 earnings and the almost 1.0% dividend yield is insignificant at this point. I took note of the company's full-year guidance that points to a double-digit adjusted EPS growth rate. The revenue run rate for Q2 is at 15% and this month could turn out to be stronger than expected.

Canadian Pacific Railway will also be hauling oil for the next couple of years. This is an affirmation that apart from being a great industry, railroads are vital to the economy. As the industry prospect remains bullish, CP would be in my portfolio basket for a long time.

There are other noteworthy stocks on the TSX, but these three will keep my investments safe and sound for eternity.

CATEGORY

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TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:CP (Canadian Pacific Railway)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:CP (Canadian Pacific Railway)
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