



2 Retiree-Friendly TFSA Dividend Stocks to Buy and Hold Forever

Description

If you're willing to own shares of a company forever, you'd better be sure that you're going to be properly compensated through a [quality dividend](#) that can grow at an above-average rate over time. Such a rich income stream that's subject to annual raises will make it much easier to hold onto your shares for decades at a time.

Here are two [top dividend picks](#) you may want to consider at today's valuations.

Canadian National Railway

No list of forever investments would be complete without **CN Rail** ([TSX:CNR](#))([NYSE:CNI](#)), preferably at the very top. The name has one of the widest moats out there and what I think is the "growthiest" (and most stable) dividend in North America. There's a reason Bill Gates owns a huge chunk of the company. It's a best-in-breed company with one of the best track records of operational efficiency and one of the most sought-after rail networks on the continent.

As the internet of things trend continues to take off, you can bet that CN Rail will be all over the connected rail technologies as they come to be. Should rail control systems become more technologically advanced, derailments may become a relic of the past, and you can bet your bottom line that CN Rail will be one of the first to adopt such technologies with the hopes of lowering its operating ratio even further.

Although it doesn't seem like it, CN Rail's dividend is the main attraction to the stock — not the 1.8% upfront yield, but the growth potential of the dividend over time. You can expect double-digit dividend hikes during good times and high single-digit hikes during the most difficult times.

For dividend investors, CN Rail offers peace of mind unlike any other name out there, and I'd say that's worthy of a premium 20 times P/E.

Nutrien

With a 3.43% dividend yield at the time of writing, fertilizer kingpin **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is a solid bet for any extremely long-term-focused portfolio, especially at today's ridiculously cheap valuations.

Now, commodity plays don't usually make for the best "forever" bets given their erratic cash flow streams, but given how battered fertilizers have been over the last several years, it may make sense to initiate a position at historically low levels. Not only are you positioning yourself to realize upside in the event of rebounding fertilizer prices, but you'll lock in a relatively stable dividend that's poised for growth.

Unfortunately, the price of potash or any other commodity is completely out of the hands of any single company. Where Nutrien shines is its ability to drive efficiencies and unlock synergies through the acquisition of its smaller counterparts in the agribusiness scene.

More recently, Nutrien entered a binding agreement to acquire diversified Australian agribusiness Ruralco in a deal worth AU\$469 million. Subject to regulatory approval, the deal is expected to close at the end of the year, and while it may take time to realize synergies, I think Nutrien has a plan to keep its dividend strong and "growthy," in spite of the volatile demand for fertilizer and other agricultural products.

Foolish takeaway

If you want a Steady Eddie dividend grower with a predictable upward trajectory, go for CN Rail. If you've got the patience to sit on Nutrien through long-lived headwinds, Nutrien may be a better value, but be warned: you may have less to show for it on the capital gains from over the near term. If I had to pick one, I'd go with CN Rail, although both bets make for wonderful holdings in a long-term-focused TFSA.

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Date

2025/08/09

Date Created

2019/07/20

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