2 Stocks You Can Hold in Your TFSA Forever

Description

For investors that are looking to maximize their overall returns, especially inside a TFSA, the holding period can make all the difference. By having the mindset that you're in it for the long haul, there will be less temptation to sell a stock that may have come off a bad quarter or that has fallen in value recently. Ultimately, as long as it's a good stock, there will be good odds for it to bounce back and increase in value.

However, with the focus in the markets often being on the near term and on the latest quarterly results, short-term thinking can sometimes encourage investors to sell rather than to hold. Holding for a long period of time can help you earn a good return, especially if you've got a dividend stock that regularly increases its payouts.

There is no shortage of reasons to hold a stock for the long term. Below are two stocks that would be great options for investors to buy and hold forever.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) can give investors a lot of different reasons to invest in the stock: stability, dividends, and growth. The bank stock is as safe as any company out there, and there's little reason to believe that it won't continue producing strong results for investors in the way of dividend income and overall growth as well. What makes CIBC a bit more appealing than its peers is that with a relatively recent acquisition of PrivateBancorp giving it a strong presence in the U.S., it may have a lot more potential growth that it can tap into south of the border.

Not only does it have good growth prospects, but the company's dividend is also one of the better ones that you can find on the TSX. Paying around 5.6% per year, it's almost too good to be true for a bank stock. And if that weren't enough, the bank also regularly raises payments as well, having done so just last month.

Loblaw Companies (TSX:L) is another staple in the Canadian economy that investors can expect to see leading its industry for many years to come. While investors may be concerned about the retail industry and the risk that everything will go online, Loblaw has proven that it can compete with online retailers. Ultimately, consumers still like to touch and feel the products that they buy, and there's no shortage of people that still make their purchases in-store.

The company has also adapted to changing consumer needs, offering both pickup and delivery services in certain markets. When it comes to buying stocks for the long term, it's important to consider not just how well the company is doing today, but also how well it is able to respond to changing trends, and that's one area where Loblaw has done a great job thus far.

Like CIBC, it too offers investors a dividend. While its payouts of around 1.7% will be a lot more modest, it still gives investors a good opportunity to benefit both from both dividend income and a rising share price.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:L (Loblaw Companies Limited)

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