The Only Stock You'll Need to Buy to Retire Wealthy

Description

The only stock Canadian investors need to retire wealthy is **Thomson Reuters** (TSX:TRI)(NYSE:TRI). Not only does the corporation take care of its long-term shareholders with generous returns, but the company is also nearing the completion of an extremely lucrative transaction.

Just when we thought Thomson Reuters couldn't get more profitable, it does. Thomson Reuters is selling its 45% stake in Refinitiv to the **London Stock Exchange Group** (LSE) for a 15% interest in the LSE. The transaction will position Thomson Reuters to soar on the **Toronto Stock Exchange** (TSX).

Refinitiv is Thomson Reuter's former Financial & Risk (F&R) business, which became known as Refinitiv after investment firm **Blackstone Group** purchased a majority stake at the end of 2018. The F&R business is marketed as a data, analytics, and risk assessment tool for traders.

The LSE sets Reuters up for unbelievable future cash flows

The **London Stock Exchange** trades under the symbol LSE for £7,390, equating to CAD$12,161.13. It is difficult to comment on the appropriate stock valuation of a corporation, which reports diluted earnings per share of CAD$223.48 or £135.80. In the past year, the stock has surged 53.74%.

Thomson Reuters, which currently offers investors an earnings-per-share (EPS) of $6.65 annually, will report even more exciting earnings after the close of the LSE-Refinitiv transaction.

Thomson Reuters will boost its profits from owning 15% of one of the world's most profitable assets while retaining indirect ownership over Refinitiv.

Hong Kong Exchanges makes second bid offer

Thomson Reuters is not the only corporation interested in acquiring a significant stake in the London Stock Exchange. **Hong Kong Exchanges and Clearing** has also made a £32 billion bid for the LSE.

The deal is unlikely to proceed, as the Hong Kong acquisition would be politically unviable for the former British territory in Asia.

Rumours off an exchange merger in 2006 first began circulating when the New York Stock Exchange opened an office in Beijing to work more closely with the **Shanghai Stock Exchange.**

While the Hong Kong Exchanges' chairman, Ronald Arculli, denied those rumours, it appears that the Asian corporation may have changed their minds 12 years later.

Thomson Reuters shares $10 billion with shareholders

Tax-Free Savings Account (TFSA) investors can trust that their initial investment will remain safe in shares of Thomson Reuters and provide the best returns on the TSX.

In October 2018, Thomson Reuters sold a 55% interest in its F&R business to the Blackstone Group for US$17 billion. Following the sale, Thomson Reuters shared the proceeds with shareholders through stock repurchases, increased dividend payouts, and an issuer bid/tender offer.

Canadian investors who purchased stock in Thomson Reuters before September 2018 earned a 44% capital gain plus an 11.5% dividend yield for the year.

Foolish takeaway

There are many stocks to choose from, but not all those corporations have a strong history of taking care of their shareholders like Thomson Reuters. Canadians are lucky to have the option of purchasing this stock for less than $100 per share and gain on a tax-free basis.

The number one retirement mistake Canadians make is failing to take full advantage of their tax-free TFSA benefits. All Canadian investors should purchase shares in Thomson Reuters because shares in Thomson are all they need to retire wealthy.

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debraray