



TFSA Investors: 3 Forever Stocks

Description

It is about that time of year for investors to reassess their Tax-Free Savings Accounts (TFSAs). We are fast approaching the new year. Although 2019 has not brought forth the market turbulence we saw late last year, there have been a series of interesting developments that will influence the way we invest in the next decade.

Today, I want to look at three stocks that are worth holding for decades in your TFSA. These are stocks that you can “set and forget” due to their size, stability, and history of capital and dividend growth. Let’s dive in!

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) has long been an elite dividend stock on the TSX. Around this time in 2018, I’d recommended that investors scoop it up in the [face of major market volatility](#). Shares of Fortis have climbed nearly 30% year over year.

The company released its third-quarter 2019 results last week. Adjusted net earnings grew to \$287 million, or \$0.66 per share, compared to \$277 million, or \$0.65 per share, in the prior year. Fortis enjoyed rate base growth at its regulated utilities, but market-to-market accounting of natural gas derivatives at the Aitken Creek natural gas storage facility weighed on earnings.

It last bumped up its fourth-quarter 2019 dividend to \$0.4775 per share, representing a 6.1% increase. Fortis has now achieved dividend growth for 46 consecutive years. In this quarterly report, Fortis set an annual dividend-growth target of 6% through 2024.

Suncor

Suncor ([TSX:SU](#))([NYSE:SU](#)) management famously said that the company would be able to extract value of out the oil sands for the next century in 2018. This spoke to its confidence in a sector that has been under assault due to the push for green energy. [Suncor stock has climbed 11.6%](#) in 2019 as of

early afternoon trading on November 5.

The company released its third-quarter 2019 results on October 30. Total oil sands production rose to 670,000 barrels per day compared to 651,000 bbls/d in Q3 2018. Suncor recently announced a \$1.4 billion investment in low-power carbon power generation to replace coke-fired boilers with a new cogeneration facility at its Oil Sands Base Plant.

Suncor last paid out a quarterly dividend of \$0.42 per share, representing a 4% yield. The company has achieved dividend growth for 16 consecutive years.

Royal Bank

Royal Bank ([TSX:RY](#))([NYSE:RY](#)) is the largest financial institution in Canada. In 2017, the Swiss-based Financial Stability Board added Royal Bank to a list of 30 of the world's most systemically important banks. Shares have climbed 19.2% in 2019 as of early afternoon trading on November 5. Investors can expect to see its fourth-quarter and full-year results for 2019 in late November.

In the third quarter, Royal Bank missed estimates as its Capital Markets division weighed on earnings. However, Royal Bank beat its peers as it expanded its mortgage balances by 5.9% to \$257.5 billion in the quarter. Royal Bank has emerged as a leader among the Big Five, which is great news, as the Canadian housing market has experienced a rebound.

Royal Bank last increased its quarterly dividend to \$1.02 per share. This represents a 3.9% yield. The bank has increased its dividend for eight consecutive years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:RY (Royal Bank of Canada)
6. TSX:SU (Suncor Energy Inc.)

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