



#1 Stock to Buy for 2020: Why I Won't Sell This Stock Next Year

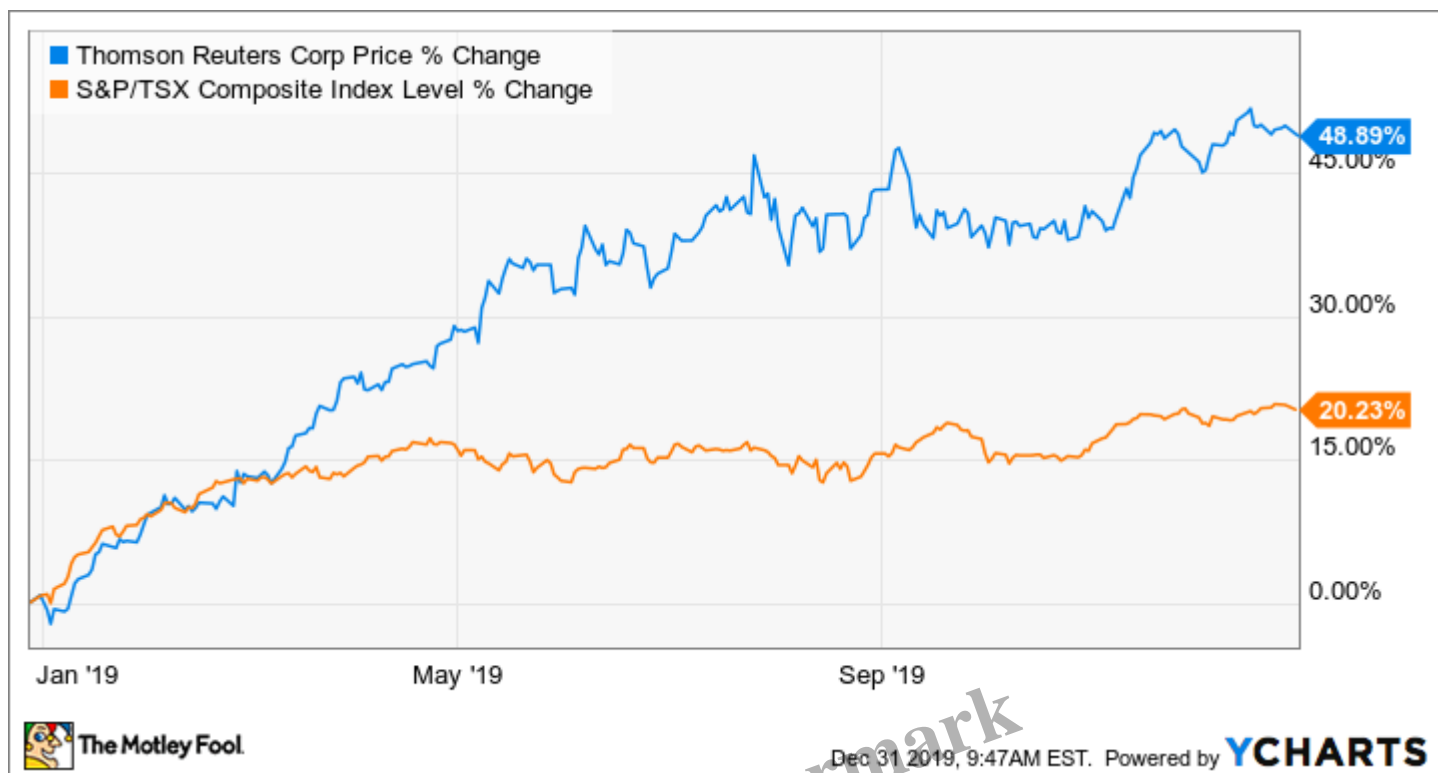
Description

I bought this stock in 2019 because it changed my entire world view on corporations. This company made me rethink entirely my stock market investing strategy. I was so impressed with how loyal the company is to its shareholders that I plan on never selling my position absent a complete collapse of the internet.

With this stock, you do not need to place a bet on whether you will see a return from your investment, because you know they will take care of you as an investor. The board of directors of this company has a history of returning to shareholders what the company owes them. From special dividends to share buybacks, the company's leadership is dedicated to sharing profits with the company's investors.

This company is no other than **Thomson Reuters** ([TSX:TRI](#))(NYSE:TRI). Shareholders in this stock have had an incredible year. If you haven't bought this stock yet, there is no need to race against the clock, but the sooner you buy, the better.

Take a look at the alpha-level performance of Thomson Reuters stock throughout 2019 compared with the **S&P/TSX Composite Index**:



TR data by YCharts.

Sale of Refinitive to Blackstone Group

At the end of 2018, Thomson Reuters sold a 55% stake in Refinitive, a financial analytics platform, to **Blackstone Group** for US\$17 billion. After the sale, Thomson Reuters retained 45% ownership over the data analytics medium. Instead of hoarding the gains for executive bonuses, Thomson Reuters announced [several plans to return \\$10 billion](#) of the cash from the sale to shareholders.

Reuters increased its annual dividend to \$1.40 per share and gave shareholders a cash distribution of \$5.90 per share. Moreover, the company announced a US\$6.5 billion issuer bid/tender offer and US\$1 billion share repurchases under a reasonable course issuer bid. Based on the past decisions of the company, new shareholders can expect similar generosity in the future when Thomson Reuters scores a big win on a negotiation.

Share repurchases help stockholders because they decrease the supply of the shares available to trade, increasing the worth of the remaining outstanding shares.

If you had purchased stock in Thomson Reuters before September 2018, you would have earned over a 45% capital gain on your initial investment. Between November 2018 and November 2019, you would have collected a 12.4% dividend yield assuming a share price of \$64. These strong returns prove that Thomson Reuters has good intentions to share profit with its investors.

Thomson Reuters buys a 15% stake in the London Stock Exchange

The **London Stock Exchange** officially approved the [purchase of Refinitive for £22 billion](#) from Blackstone Group and Thomson Reuters at the end of 2019. In exchange, Thomson Reuters will gain 15% ownership over the London Stock Exchange. As we go into the new year 2020, this favourable agreement sets Thomson Reuters stock up to outperform the market — again.

Thomson Reuters is a great stock to buy for your Tax-Free Savings Account (TFSA) in 2020, because it is a relatively low-risk asset with the potential for high capital gains in 2020 from the Refinitive sale to the London Stock Exchange. Those capital gains will grow tax-free in your TFSA — safe from the Canada Revenue Agency when you file next year's taxes.

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