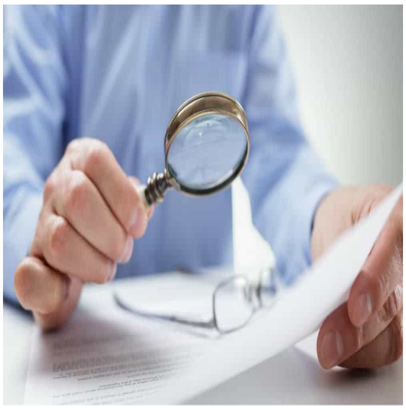

The TSX Is up 19.13% in 2019: Here's Why You Probably Aren't

Description

The TSX concluded the decade with a 19.3% gain in 2019. If you fell short, there could be several reasons why.

People can lose in the stock market due to over-trading and poor market timing. If you're investing in stocks, the slow and steady approach usually wins out in the end. Long-term investors are not flaky and don't overreact to every situation.

Stock prices rise and fall, but if you're a long-term investor, you will mostly avoid buying high and selling low. Timing the market is difficult, so pick reputable stocks that match your risk tolerance, and hold them for the long term.

Invest long term

You'll never go wrong if you pick high-quality investments. **Enbridge** (TSX:ENB)(NYSE:ENB), for example, is not only a popular stock but an investment for the long haul.

This $107.21 billion oil and gas infrastructure company is the pride of North America's midstream industry. Its 25 years of consecutive annual dividend growth is the reason why dividend investors maintain Enbridge as the core holding.

Since the company operates basically in a regulated monopoly, you rid yourself of the stress and pressure of protecting your capital. Enbridge transports oil but doesn't produce the commodity. Hence, it's completely insulated from price fluctuations.

Enbridge is also going to clean energy. Its green power and transmission segment is now operating renewable energy assets such as geothermal, solar, wind, and waste heat recovery facilities.

Aside from the low-risk nature of the business, it continues to grow. Today, Enbridge maintains a high investment-grade status. With its 6.16% dividend, prospective investors would have ample passive income for life.

Learn to diversify

Diversification or having a mix basket of stocks can mitigate the risks in the stock market. In addition to Enbridge, you can add top-performing stocks like **Air Canada** (TSX:AC)(TSX:AC.B). Air Canada has emerged from near bankruptcy twice.

During the first decade of the new millennium, a restructuring process to save the company from insolvency took all of 18 months. Then again, after the 2008 financial crisis, Air Canada came close to a declaration of bankruptcy.

When the TSX 30 list was released in 2019, Air Canada ranked seventh. Only the stocks with a three-year total return of more than 120% made the grade. Air Canada has a gain of 269.88% for the period.

The phenomenal rise of this $13.83 billion airline company is the greatest comeback story of the decade. Air Canada is a non-dividend payer, but the upside is a potential capital gain of 27.2% based on analysts' forecast.

Make the right choices

With the TSX enjoying a rousing start, market analysts and strategists are predicting the stock index to break records in 2020. A 10% gain for the year or closing of 19,000 points is highly possible. Make sure you have chosen the right stocks for your portfolio in 2020.

Meanwhile, Enbridge and Air Canada are solid stocks you should consider as you build a diversified portfolio. You should be earning more and outperforming the market in 2020 with the right investment choices.

CATEGORY

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