



## Sitting on a Cash Pile? Now's the Time to Buy These 2 Stocks

### Description

I understand the comfortable feeling who saving and keeping cash idle. However, when you pile up cash but don't allow it to grow, the money will pay virtually nothing — or even decline in value due to inflation.

If you have the cash pile, let it work for you. Consider [stock investing](#) because equities will surely outperform cash over time. Also, the future value of your savings will be substantially higher.

With the market declining, now's the time to buy stocks such as **Laurentian Bank** ([TSX:LB](#)) and the **North West Company** ([TSX:NWC](#)). Your \$50,000 savings will earn \$3,187.50 in a year. In 10 years, the cash value would be \$92,767.01. As the average dividend yield is 6.375%, you also have a strong hedge against inflation.

### Transforming regional bank

Laurentian Bank is a regional bank that's been operating for 174 years. Its \$1.64 billion market capitalization is only 1% of **Royal Bank of Canada**, the largest banking institution in the country. However, don't let its size discourage you from investing in this bank stock.

You'll have ownership in [one of the dividend all-stars](#) on the **TSX**. Laurentian has a dividend streak of 12 years. Historically, the stock has returned 415.21% in the last 20 years.

In Q1 2020, the bank reported a net income of \$32.2 million versus the \$40.3 million net income during the same period last year. Management is aware of the disappointing quarterly earnings and is addressing both the revenue and expense aspects.

The bank is undergoing a transformation that should result in real progress and business growth. Its main thrust now is to expand customer reach. Laurentian is hoping to make headway with the launching of a direct-to-customer channel or the LBC Digital.

## One-of-a-kind retailer

A buying opportunity is opening up for North West as the general market pullback continues. The share price of this \$1.25 billion retailer of food and everyday products is nearing its 52-week low of \$25.15. As of this writing, the stock is down 5.27%.

Would you believe that the historical return in the last two decades is 1,795.36%? Had you invested \$10,000 on March 4, 2000, your money would grow to \$189,461.46 after 20 years. It includes the compounding effect of dividend reinvesting. Idle cash won't give you such exorbitant returns.

North West is a niche player with almost zero competition. The company is the leading retailer in Northern Canada, Western Canada, rural Alaska, the South Pacific islands and the Caribbean. These markets are largely the underserved rural communities and urban neighbourhoods.

Aside from groceries, everyday household products, and lifestyle needs, North West offers community-based physician services and remote pharmacy services in selected difficult-to-reach locations.

## Do something or do nothing

If you compare the money growth potential of investing in dividend stocks like Laurentian Bank and North West Company versus your cash pile, the latter is a terrible long-term asset. Think hard about your next plan of action. Either you let your money make more money or you let it sit around and do nothing.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:LB (Laurentian Bank of Canada)
2. TSX:NWC (The North West Company Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

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