2 Strong TSX Stocks for Super Long-Term Investing

Description

The market may be rallying, but will it last? Investors have been given some tough choices in the last couple of months. Safety and stability are certainly hard to come by in 2020. However, from blue-chip bankers to an overlooked energy investment theme, here are two ways to pack long-term wealth creation in a TSX portfolio.

The case for Big Five bank stocks

Banks are likely to continue to be undervalued, as consumer demand remains low and household debt remains high. While market rallies on vaccine hopes are encouraging, this bullishness masks recessionary dangers. In short, the rip currents beneath the economy are likely to exacerbate the cyclicity of any Big Five bank.

Nevertheless, **TD Bank** (TSX:TD)(NYSE:TD) is likely to carry on distributing its own reasonably defensive dividends for years to come. It's also likely to be defended tooth and nail at the federal level in the event of an even deeper market crash. The latter consideration is not beyond the realms of possibility, given the still-inflating cheap money bubble. Factor in the importance of TD Bank to the U.S. economy, too, for extra defensiveness.

TD Bank is synonymous with the dominance of the Big Five in Canadian finance. It's also the first Canadian bank to be listed as systemically important on an international level. The Financial Stability Board (FSB) granted TD Bank the distinction last year. The move should help to secure investors' funds in the long term, since the FSB exists largely to oversee risk in the banking sector.

Go long on undervalued commodities

From bust to boom, will the market continue to rally? Or is an even deeper market crash on the way? One way to keep one's cash safe in the current market is to invest in undervalued energy stocks. But there is one energy investment theme that doesn't get enough coverage: the nuclear option. Uranium stocks could have masses of upside. There are early signs that names like **Cameco** (TSX:CCO)(NYSE:CCJ

) could even break out.

The pandemic has impacted miners by reducing operations and, thereby, material output. And as commodities bottleneck, their prices rise. It’s a simple equation and one of the basic tenets of commodity investment. This has already been the case for uranium this year. But the real breakthrough will come from government contracts and key industry partnerships.

Nuclear energy already has the backing of key figures such as Bill Gates. There is also the potential for blue hydrogen to go mainstream in the 20s. Blue hydrogen uses non-renewable clean energy sources to split hydrogen for use as fuel. This is different from green hydrogen, a process currently enjoying some media coverage, which uses renewables for the energy-intensive innovation.

Cameco shakes out well in the fundamentals, too. It’s a pure play for long-term wealth in a niche area that could see a rapid ramping up of operations. Uranium upside has three strong bull arguments: the green megatrend, higher uranium prices, and tailwinds from tanking oil. Cameco is well placed to capitalize on all three over the long term.

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