



2 Top Long-Term TSX Stocks to Buy in July

Description

After a wild start to the year for stock markets, the last few weeks have seen major price swings level off. **TSX** stocks have started to plateau, as upside momentum fades away.

This may be troubling, as the market momentum was what helped a lot of investors look past the short-term headwinds. On top of the momentum fading, case counts are starting to rise across much of the U.S.

This could spell big trouble over the next while, which makes it all the more important that investors have an adequate cash position as well as a portfolio of high-quality businesses you plan to own for the long term.

Here are two of those long-term TSX stocks you'll want to have some exposure to before the market crashes again.

TSX telecom stock

The first high-quality stock you could consider is a leading TSX telecom stock like **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

[Telecom stocks](#) are great businesses to own in our current environment, because a lot of the services they offer are highly defensive. Having access to communication is a basic necessity these days, and a well-run company like BCE is proof.

So far, BCE's impact from the pandemic has only been minor. It is seeing higher accounts receivable as well as lower wireless roaming revenue and business services. However, the majority of its business operations has been unaffected. Plus, management can utilize several cost-saving measures to help offset this impact to revenue.

Going forward, BCE should be able to weather these headwinds, and its significant 5.9% dividend should remain intact. Furthermore, the company is such a cash cow; it's not even bothering to defer

any growth capital this year.

In addition to these qualities making it such a great business in today's environment, telecom stocks are also some of the best businesses on the TSX to own long term.

The industry has a huge runway for growth over the coming years. The wireless segment continues to be underpenetrated in Canada compared to other developed nations. Also, the introduction of 5G, which is currently being rolled out, should bring with it several possibilities and continued growth for these companies.

All in all, telecom stocks are some of the best long-term businesses to own, and BCE has proven to be the best of the best.

Consumer defensive stock

For the second investment, you can't go wrong owning a consumer defensive stock, especially one like **Alimentation Couche-Tard** (TSX:ATD.B).

Alimentation Couche-Tard, like BCE, has a highly [defensive business](#). So, you can feel comfortable buying it in this environment.

The company operates thousands of convenience stores and gas stations all around the world. Both fuel and popular convenience store items (tobacco and lottery tickets) are highly defensive products. Although, it's worth noting, stay-at-home-orders impact fuel demand substantially.

Over the long term, however, these businesses are high quality and very reliable, even through normal recessions.

Couche-Tard's long-term potential, however, is the major reason to buy today. The first thing you'll notice when you do any research on Couche-Tard is its rapid growth over the last decade.

Since 2011, the stock is up by more than 800%. Furthermore, Couche-Tard increased its earnings before interest, taxes, depreciation, and amortization (EBITDA) by more than 500% over that period.

This just goes to show what a high-quality business it is. And going forward, there is still room for the company to continue that massive growth.

The company has a great strategy to drive organic growth. And in the current environment, I wouldn't be surprised to see Couche-Tard take advantage and look for some acquisition targets.

When you combine its short-term resiliency with its long-term potential, Alimentation Couche-Tard might be the best long-term stock to buy on the TSX today.

Bottom line

As much as long-term investors need to try and look past the current environment, you still have to make sure you're buying businesses that are robust enough to weather the storm.

However, often the best long-term TSX stocks will have the most resilient businesses. These stocks can help you to protect your money in the near term and will compound your money rapidly over the long run.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

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