



Got \$5,000? 3 Dividend Stocks to Hold Forever

Description

Earlier this week, I'd discussed whether investors should be [worried about a market crash](#) this summer. Warren Buffett advocates value investing. Discounts are hard to come by on the **S&P/TSX Composite Index** right now. This should inspire Canadians to go on the defensive. Today, I want to look at three highly dependable dividend stocks.

Why you can trust this top dividend stock

Garbage pick-up is one of those essential services that many of us take for granted. That won't happen anymore when you hold **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)) in your portfolio. The company provides waste collection, transfer, disposal, and recycling services in the United States and Canada. In late June, I'd suggested that Canadians should [scoop up this dividend stock](#).

Shares of Waste Connections have climbed 14% in 2020 as of close on July 15. The stock is up 7.3% from the prior year. In Q1 2020, the company reported revenue of \$1.35 billion – up 8.7% from the previous year. It also reported 5.2% in price and volume growth. Waste Connections managed to exceed its first quarter outlook for adjusted EBITDA in the face of the COVID-19 crisis.

Unfortunately, Waste Connections is a pricey pick right now. The stock possesses a price-to-earnings ratio of 44 and a price-to-book value of 3.9. Value investors may want to wait for a more attractive entry point this year.

The auto sector is poised for a rebound in the second half of 2020

Auto sales and manufacturing activity has plunged during the COVID-19 pandemic. However, the economic reopening should provide some relief in the second half of 2020. **Linamar** ([TSX:LNR](#)) is the second-largest auto parts manufacturer in Canada, behind **Magna International**. Shares of Linamar have dropped 20% so far this year. This dividend stock looks like a great value pick today.

In the first quarter of 2020, Linamar saw net earnings drop 40.7% year-over-year to \$55.7 million. Meanwhile, overall sales dropped 22% to \$1.09 billion. Linamar is now laser-focused on recovery. Liquidity also saw a boost in Q1 2020.

The dividend stock last had a P/E ratio of 6.7 and a P/B value of 0.6, putting Linamar in very attractive value territory. Linamar last paid out a quarterly dividend of \$0.06 per share, which represents a modest 0.6% yield.

One more stable dividend stock to hold

Canadian Pacific Railway ([TSX:CP](#))([NYSE:CP](#)) owns and operates a transcontinental freight railway in Canada and the United States. Many industries have ground to a halt due to the COVID-19 pandemic. Fortunately, railways are essential services that have guaranteed the flow of goods across North America. This has made CP Rail an attractive target as a defensive dividend stock. Its shares have climbed 8.6% in 2020 as of close on July 15.

Investors can expect to see its second quarter 2020 results on July 22. The stock last possessed a solid P/E ratio of 20 and a high P/B value of 6.9. CP Rail last paid out a quarterly dividend of \$0.83 per share.

This represents a 0.9% yield. The continued flow of goods is one of the few things investors can count on in this time of crisis. That makes CP Rail a great target in the summer.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:WGN (Waste Connections)
3. TSX:CP (Canadian Pacific Railway)
4. TSX:LNR (Linamar Corporation)
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