2 Stocks to Buy and Hold for the Next 20 Years

Description

Every portfolio should have a few blue-chip stocks, if not many. They are great stocks to buy and hold, as they give great portfolio returns over the long term.

Blue-chip stocks have a market capitalization typically in the billions. They are generally the market or industry leaders and are most often household names.

Blue-chip stocks are evergreen, pay good dividends every year (dividends actually increase because companies tend to do better over time), and are stable regardless of stock market crashes (because they have low volatility).

The two blue-chip stocks I present here have a history of earnings and lasting dividends. Like all stocks, they can fluctuate widely and suffer from a long-term market downturn, but they offer a higher probability of long-term gains.

BCE

BCE (TSX:BCE)(NYSE:BCE) is a telecommunications and media company providing wireless, wireline, internet, and television services to residential, business, and wholesale customers in Canada.

The telecom company is one of the best stocks to buy if you're looking for consistent income.

BCE has consistently paid a dividend at the end of each quarter since 1985. Over the past 10 years, the average dividend growth has been 6.7% per year. The most recent dividend declared by the company was $0.8325, culminating an annual dividend of $3.33. The dividend yield is about 6%.

The company generated free cash flow of $1.61 billion in the last reported quarter, up 49.7% year over year. It generated $2.56 billion in operating cash flow, up 22.4% from the quarter last year. Revenue was $5.35 billion, as the company added 50,121 new customers in wireless, retail internet, and IPTV services during the quarter, despite significantly reduced business activity. It also topped 10 million wireless subscribers during the same period.

Adjusted EPS for the quarter stood at $0.63, beating the consensus estimate by 1.7%. BCE recently announced a partnership with **Samsung** to bring its full line of 5G smartphones to Canada. It launched Canada's largest 5G wireless network in June this year after partnering with Western University to accelerate 5G innovation. Analysts estimate that EPS will increase by 11.4% next year.

Loblaw

Loblaw Companies (TSX:L) is Canada's leading food and pharmaceutical company and the country's largest retailer. It is one of the best defensive stocks to buy and hold.

The grocer is innovative and keeps up to date with customers tastes.

Loblaw has partnered with local restaurants to deliver fresh meal kits right to the door of residents in the Greater Toronto Area.

The grocer recently invested in telemedicine; demand rose strongly during the pandemic, as people were confined in their homes. Loblaw signed a deal to buy a minority stake in telemedicine firm Maple for $75 million.

Maple helps people connect with physicians and medical specialists using smartphones or computers and provides technology to employers, insurers, hospitals, and clinics.

In the latest quarter, Loblaw significantly strengthened its position in e-commerce, as online grocery sales jumped 280%. Its revenue increased by 7.4% to about $11,957 million compared to the second quarter of 2019.

Net income fell in the last quarter, despite revenue growth, due to work-related costs during the COVID-19 pandemic, including a temporary wage increase for workers and investments in its e-commerce business.

Excluding one-time items, adjusted profits were $266 million, or $0.74 per share, compared with $373 million, or $1.01 per share a year ago. Earnings are expected to grow by 15.9% next year. Loblaw has a dividend yield of 1.8%.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:L (Loblaw Companies Limited)

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1. Business Insider
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