



2 TSX Stocks Young Investors Should Buy and Hold Forever

Description

Young investors should focus on buy-and-hold stocks. Not only is this investment strategy easier to implement, it's also proven to be the most successful. Warren Buffett has been profiting from this strategy for decades.

But which stocks can you continue to own for nearly your entire life? The two options below are your best bets.

This is already a trusted stock

Thousands of people have already gotten rich by buying and holding **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock. Shares have produced double-digit annual gains for nearly three decades.

For young investors, Enbridge was a dream. This is a great case of buying it once and then keep buying it.

But what exactly made Enbridge so successful?

First, it operates in a multi-trillion-dollar industry: energy. Young investors should focus on [large](#) opportunity sets like this. If you want to own companies that grow for decades at a time, you need to identify industries that are capable of hosting such long-term growth.

Second, Enbridge owns critical assets in the supply chain. On one end, you have oil producers. On the other end, you have oil consumers. The process in between is controlled by Enbridge, which is the largest pipeline operator on the continent. Roughly 20% of North America's crude oil flows through its infrastructure.

Owning a pipeline is like owning a toll road. If people want to transport something, they have to pay up. And because the world has a structural pipeline supply shortage, existing operators win.

There's only one problem: oil is a dying market. To be sure, we'll be consuming the slick substance for

decades to come, but there's no doubt we're on the wrong side of the bell curve.

Enbridge is a great stock, but it's no longer suitable for young investors. Thankfully, the next stock picks up where Enbridge left off.

Young investors should choose this instead

The oil of the future is renewable energy. The writing is already on the wall.

More than \$1 trillion was [invested](#) last decade in renewable energy projects. *Bloomberg Energy* believes the next decade should bring another \$10 trillion in investment. The investment tide is turning, and stocks like **Brookfield Renewable** ([TSX:BEP.UN](#))([NYSE:BEP](#)) will win.

Like Enbridge, Brookfield owns critical assets. But instead of pipelines, it owns generation facilities including hydro, solar, and wind infrastructure. It then sells the power production on long-term contracts. This is a young investor's dream.

Once built, renewable energy facilities have near-zero marginal costs. They're impossible to compete with, meaning they have the market to themselves. And because Brookfield's projects will exist for decades to come, the company simply needs to sit back and collect its cash.

Bottom line

Brookfield is building a renewable energy empire. The momentum will last for decades, and early investors will reap the biggest rewards. But Brookfield isn't the only stock worth buying right now.

More than ever, young investors need to remain diversified. We're experiencing the rise and fall of multiple industries, from energy to tech. Owning several promising stocks ensures that you take advantage of every opportunity available.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:ENB (Enbridge Inc.)

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Author

rvanzo

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