3 Safe TSX Stocks That Beat the S&P500 in the Last Decade

Description

Many Canadian stocks, mainly from the tech space, outpaced the S&P500 in the last decade. However, their large stock price swings and risky nature keep many investors at bay. Notably, not only tech stocks beat the S&P 500. Some slow-moving, dividend-paying TSX stocks also stood out and thrashed it in the last decade. Here are three stable, reliable TSX stocks to invest in for the longer term.

Canadian Pacific Railway

The rail freight operator stock **Canadian Pacific** (TSX:CP)(NYSE:CP) returned almost 600% in the last decade, outperforming the S&P 500's 225%.

Although railroads are cyclical stocks, they generally recover faster from downturns than the broader markets. Be it the 2008 financial crisis or the pandemic last year, stocks like Canadian Pacific reclaimed the lost ground and outperformed subsequently. In the last 12 months, CP stock returned 23%, while the TSX Composite Index rose 1%.

Canadian Pacific is the second-biggest player in the duopolistic market after **Canadian National Railway**. CP's rail network offers the shortest and fastest routes in key areas in the U.S. and Canada. Investors should note that CP Rail's revenue growth was superior to peer CN Rail in the last few years. Notably, CP stock is still trading at a relatively cheaper valuation multiple compared to peer CNR at the moment.

If you are looking for a stable, reliable wealth creator, Canadian Pacific stock should be on top of your list.

Intact Financial

The insurance industry was one of the worst-hit areas during the pandemic. However, very few companies managed to emerge stronger amid the crisis. **Intact Financial** (TSX:IFC) is one of them.

A $20 billion company, Intact Financial is a leading property and casualty insurance company in the country with a market share of approximately 17%. Intact stock has been a solid money maker for its shareholders over the years. In the last decade, it returned 260%, including dividends.

Intact Financial has been consistent with its revenues and earnings growth for years. Its revenues grew by approximately 10% in the last five years, while its net income grew by 3% compounded annually. The insurance industry usually grows very slowly, and those rates stand out among peers.

Intact stock is currently trading at $141 and yields around 2.3%. Although its yield looks unexciting, its consistent dividend growth since 2005 makes it attractive.

Dollarama

Dollarama (TSX:DOL) stock returned almost 1,000% in the last decade, absolutely thrashing the S&P 500 and TSX stocks.

The dollar store operator generates superior earnings, mainly due to its extensive presence in the country. Dollarama operated more than 1,300 stores across the country that stands way higher among peer low-cost retailers. The company aims to increase its store count, which should fuel continued growth in the next few years.

It owns a 50.1% interest in Latin American value retailer Dollarcity. Geographical expansion of Dollarcity stores should also bring stronger top-line growth to the retailer.

Dollarama stock has soared 10% in the last 12 months and looks relatively expensive. However, it normally trades at a premium. That's probably due to its tendency to remain resilient in market downturns and its superior performance in the past.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. TSX:CP (Canadian Pacific Railway)
3. TSX:DOL (Dollarama Inc.)
4. TSX:IFC (Intact Financial Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

Date
2025/08/20
Date Created
2021/02/01
Author
vinitkularni20