



Retire Rich: 2 Top TSX Stocks to Buy Now and Own for 25 Years

Description

The stock market rally off the 2020 crash reminded investors that major corrections provide buying opportunities in top **TSX** stocks.

Fortunately, several of Canada's best stocks still look attractive right now for savvy investors. Owning top TSX stocks in a buy-and-hold [RRSP](#) or TFSA portfolio remains a smart strategy for building retirement wealth.

Canadian National Railway Company

CN ([TSX:CNR](#))([NYSE:CNI](#)) might not be the most exciting stock in the market, but the returns over the years make CN a rock star.

Like the slow, steady and consistent movement of the company's long trains, CN's share price chugs along in the right direction. Investors who buy the dips and pullbacks eventually get rewarded.

CN makes good money every year and generates significant free cash flow to support regular dividend increases. The board raised the payout by 7% for 2021. As the North American and global economies rebound after the pandemic CN's business will continue to grow.

Railways are great anchor stocks for retirement portfolios. The odds of new tracks being built along the same routes are slim to none. Competition exists from trucking companies or other rail carriers in certain areas and situations, but the rail industry generally enjoys a wide moat.

CN is one of the top TSX stocks over the past 25 years. A \$10,000 investment in CN stock when the company went public in the mid 1990s would be worth about \$460,000 today with the dividends reinvested.

Royal Bank of Canada

Royal Bank ([TSX:RY](#)) ([NYSE:RY](#)) is a giant in the Canadian and global banking industry. The bank is one of the most profitable large financial institutions with return on equity numbers that many global peers can only dream of achieving.

Despite the strong position the company doesn't sit idle. Royal Bank invests heavily in its digital solutions and services to ensure it remains competitive in the changing online financial world.

The bank made it through 2020 in better shape than many analysts anticipated. [Fiscal 2020](#) net income came in at \$11.4 billion. Aggressive government aid kept households and businesses above water to ride out the pandemic in the past year. Defaults will occur when the support measures end, but Royal Bank and its Canadian peers should see loan losses that are lower than the provisions made for potential defaults.

As a result, Royal Bank has a nice surplus of cash to put to work. When the government allows the banks to increase dividends again Royal Bank shareholders could get a big raise. Share buybacks and strategic acquisitions might also be on the way. It wouldn't be a surprise to see Royal Bank move to boost its wealth management presence in the United States.

While the stock isn't as cheap as it was during the crash last year, Royal Bank is typically a great buy-and-hold pick at any time. Investors who buy now can lock up a solid 4% dividend yield.

A \$10,000 investment in Royal Bank 25 years ago would be worth about \$300,000 today with the [dividends](#) reinvested.

The bottom line on top TSX stocks

CN and Royal Bank are industry leaders with strong track records of delivering great returns to long-term shareholders. They remain among the top TSX stocks to buy for a retirement fund today and investors can always add to the positions when the market corrects.

It takes patience and discipline, but buying these stocks and other top TSX picks for a buy-and-hold portfolio can help you retire rich.

CATEGORY

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TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
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3. TSX:CNR (Canadian National Railway Company)
4. TSX:RY (Royal Bank of Canada)

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Author

aswalker

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