



2 Top TSX Forever Stocks to Buy Right Now

Description

Investors looking to add “forever” stocks to their portfolio have come to the right place.

In this article, I’m going to discuss two of my top picks for long-term investors seeking a reasonable and reliable, long-term, double-digit total return.

Enbridge

One of my perennial top picks, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a dream income stock for long-term investors. The company boasts a dividend yield of 7.6% at the time of writing. Indeed, in the high-yield space, this is perhaps the highest-quality company investors can own right now. Because of its high yield, many investors may be worried about a dividend cut on the horizon. However, I think this is a stock with one of the safest yields at this level on the market today.

Enbridge is an energy infrastructure (pipeline) player. As such, its earnings and cash flows are extremely stable and reliable. The company also has a relatively low amount of leverage to the price of oil. Enbridge has very favourable contracts that lock in volumes over a period of time with oil producers. Accordingly, Enbridge’s cash flows are likely to remain stable and grow over time, despite uncertainty in the sector.

On the uncertainty piece, I think it’s important to note Enbridge’s customers (its counterparties) are stronger today than they were at the onset of the pandemic due to a recovery in oil prices. If you believe, as I do, that we’re likely headed for a bull market in commodities, Enbridge is a great way to play the energy sector.

Algonquin Power

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is commonly viewed as a regulated utilities player, and this is true. The company’s core regulated utilities business is extremely stable, accounting for about two-thirds of Algonquin’s overall revenue. This portion of the company’s business model

provides the “sleep-well-at-night” component so many investors seek today.

The other one-third of Algonquin's business? Renewable energy.

Indeed, renewable energy has become one of the hottest investments in recent years. The rise of ESG-oriented investing has changed the game for the energy sector. Accordingly, I think Algonquin's investment in this space positions the company well for long-term growth. As investors shift their focus to renewables, companies like Algonquin are great hybrid business models. These companies provide the stability of a regulated utilities player along with the growth potential a renewables company provides.

Algonquin's 3.5% dividend yield is meaningful for long-term growth investors. The company has continued to grow its dividend over time, while making key acquisitions as well. I think there's a lot to like about this Canadian utilities player.

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