The 3 Best Stocks to Buy Now and Hold for 50 Years

Description

Canadians create recurring and lasting income streams in 2021. If you have the cash you don't need anytime soon, you can buy dividend all-stars on the TSX stocks now and hold for decades. The economy will recover eventually, and it could be a tailwind for income stocks. Three companies with dividend-growth streaks of at least 15 consecutive years are excellent passive-income sources.

Uninterrupted cash flows

Canadian Natural Resources's (TSX:CNQ)(NYSE:CNQ) dividend-growth streak is 21 years. Even if commodity prices remain depressed, this low-cost oil producer will still generate cash flows. The $36.72 billion company also boasts of a long-life, low-decline, and high-quality asset base.

Mark Stainthorpe, Canadian Natural Resources's CFO, said the company's annual adjusted funds flow of over $5.3 billion in 2020 is proof of business resilience and sustainability. Because of the strong cash flows, the board of directors approved the 11% dividend increase last year, the 21st consecutive year it has done so since inception (20% CAGR clip).

Despite a $435 million net loss in 2020, Canadian Natural's financial position after year-end remains sound. Management targets a robust free cash flow (between $4.9 billion and $5.4 billion) in 2021, after capital expenditures and increased dividend levels. CNQ currently trades at $31.06 per share and pays an attractive 4.79% dividend.

Critical partner

Stella-Jones (TSX:SJ) pays a modest 1.25% dividend, but its business should endure regardless of the market environment. The $3.23 billion company provides pressure-treated wood products, logs, and lumbers to critical sectors such as utility, railroad, residential.

The impressive growth in sales, profitability and cash from operations in Q3 2020 is proof of Stella-Jones's resiliency. Because of strong demand and higher lumber prices, the company posted a record

18% and 38% growth in sales and EBITDA. In the first nine months of 2020, sales and net income increased by 15.7% and 30.4%.

Eric Vachon, Stella-Jones's president and CEO, said, "We ended the quarter in a very strong financial position with a net debt-to-EBITDA ratio of 1.4x and over $300 million in available liquidity." Management forecast healthy sales anew in 2021. Analysts see the stock price rising 16% to $56 in the next 12 months.

Stability and safety

Income investors pick **Metro** (TSX:MRU) primarily for stability and dividend safety. The consumer-defensive stock held steady in 2020 and rewarded investors with a 7.6% total return.

Metro's dividend-growth streak is now 27 straight years after the company raised its dividends once more on January 25, 2021 (+11.1%). If you were to invest today, the share price is $54.33, while the dividend yield is 1.84%. The dividends should be sustainable, given the low 28% payout ratio.

The $13.49 billion company is an icon in Canada's food and pharmaceutical sectors. In Q1 fiscal 2021 (quarter ended December 19, 2020), Metro reported 6.2% sales growth from Q1 fiscal 2020. Food same-store sales went up 10%, while the increase in pharmacy same-store sales was 1.3%.

Noteworthy was the 170% increase in online food sales versus the same period in fiscal 2020. In the current quarter, Metro encourages customers to shop online or to use the in-store order service.

Lasting income support

All COVID-19 benefits have wind-up dates. If you want lasting, not temporary, income support, invest in Canadian Natural Resources, Stella-Jones, and Metro. The three dividend all-stars are the top picks in 2021.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:MRU (Metro Inc.)
4. TSX:SJ (Stella-Jones Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/08/22
Date Created
2021/03/09
Author
cliew