



2 Top TSX Stocks to Buy Now and Hold for 20 Years

Description

The end of the pandemic is finally in sight and that has investors looking for top **TSX** stocks that could outperform in the coming years.

Why Nutrien is a top TSX stock pick today

Several years of weak prices led to the combination of Agrium and Potash Corp. at the start of 2018.

The result of the merger, now called **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)), is the world leader in potash production and a major supplier of nitrogen and phosphate. These crop nutrients help farmers produce better yields. Nutrien is also a supplier of seed and crop protection products through its retail operations.

Prior to the merger, Agrium and Potash Corp completed major capital programs that put the businesses in position to capitalize on the long-term growth of the fertilizer industry, which means investors don't have to worry about Nutrien taking on large debt or issuing stock to fund major projects.

The bottom of the last cycle appears to be in the rearview mirror. Nutrien anticipates record global potash shipments in 2021. Demand for seed and fertilizer should be strong in the United States, supported by high crop prices and an expansion of planted acreage.

Population growth in the next three decades should push food demand sharply higher. Farmers will need to boost productivity to keep up with a growing global appetite, which bodes well for Nutrien and its shareholders.

The company reported solid [Q4 2020 results](#) and 2021 is shaping up to be a good year. The board raised the quarterly dividend to US\$0.46 per share and announced a new share buyback program.

Nutrien has the potential to be a free cash flow machine. The stock enjoyed a strong recovery over the past year, but still appears undervalued for investors with a buy-and-hold strategy. Nutrien trades near \$73 at the time of writing. It wouldn't be a surprise to see the stock top \$100 by the end of 2022.

Why TC Energy stock looks attractive now

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is primarily a natural gas transmission and storage company. The energy infrastructure giant also has power generation facilities and oil pipelines.

Natural gas has a bright future in North America and around the globe. Canada and the United States possess ample natural gas supplies and will become key players in supplying the world with liquified natural gas (LNG).

The transition to renewable energy is going to take time. Solar, wind, hydroelectric, and geothermal assets only go so far in meeting rising energy needs. Nuclear is out of favour after the Fukushima nuclear disaster in Japan, so many countries are shifting their focus to natural gas as a fuel to drive power production.

TC Energy's extensive pipeline infrastructure and gas storage assets position the firm to play a key role in the North American natural gas industry for decades. The company delivered strong results through 2020 and has a \$20 billion secured capital program through 2024 that should support annual dividend hikes of 5-7% over the medium term.

TC Energy's stock trades near \$59 compared to \$75 before the pandemic, so there is decent upside opportunity as the economy rebounds. Investors who buy now can pick up a 5.9% dividend yield.

The bottom line on top TSX stocks

Nutrien and TC Energy are just two of the top TSX stocks that appear attractively priced right now and should be solid picks for a buy-and-hold portfolio. If you have some cash on the sidelines, these stocks deserve to be on your radar.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. NYSE:TRP (Tc Energy)
3. TSX:NTR (Nutrien)
4. TSX:TRP (TC Energy Corporation)

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