



3 Forever Stocks That Could Set You Up for Life

Description

While Canada's primary stock exchange is doing well in Q1 2021, it remains unpredictable. The **TSX** could jump today because of good news, then retreat the next trading day due to unfavourable news. Such market behaviour is undesirable to dividend investors with long-term goals.

If you want stability, not volatility, hold [forever stocks](#) in your portfolio. The **Canadian Western Bank** ([TSX:CWB](#)), **Metro Inc.** ([TSX:MRU](#)), and **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) are dividend all-stars that could set you up for life.

Ongoing transformation

The financial services sector is off to a good start in 2021. Most investors gravitate to the Big Banks and pass up on smaller ones. However, the Canadian Western Bank is as reliable as its bigger industry peers. This \$2.91 billion regional bank is a dividend all-star for increasing its dividends for 29 consecutive calendar years.

As of March 15, 2021, the bank stock trades at \$33.66 per share, or 85.9% higher from a year ago. Canadian Western Bank has proven its resiliency despite the massive headwinds. The 3.4% dividend is safe and sustainable, given the meagre 39.32% payout ratio. Market analysts predict an 18.8% appreciation to \$40 in the next 12 months.

Some mistake the regional bank as an inferior choice because the reach is only in Western Canada. Canadian Western Bank is transforming into a more geographically diversified, full-service bank. Its CEO Chris Fowler is happy with the strong businesses and continued good growth in Ontario, Canada's largest province.

Endlessly resilient

Income investors revere Metro despite the modest 1.87% dividend. The trade-off is stability and peace of mind. The \$13.87 billion icon in the food and pharmaceutical sectors has increased its dividends for

26 straight years. Like CWB, the dividends are sustainable due to the less than 30% payout ratio.

Management is adapting beautifully to e-commerce trends. Metro's online food sales in Q1 fiscal 2021 increased by a whopping 170% versus Q1 fiscal 2020. It continues to encourage customers to shop online or to use the in-store order.

The stock market can go crazy anytime, but Metro can overcome or endure economic downturns. Grocery retail, an essential service, will forever remain resilient, if not robust. The strong business performance during the pandemic is proof.

Portfolio stabilizer

Canadian National Railway is the top choice if you need a stabilizer in your investment portfolio. This \$103.84 billion rail network operator in Canada has a dividend growth streak of 25 years. Over the last 20 years, the stock has returned 2,124.82% (16.76% compound annual growth rate). If you invest today, the dividend offer is 1.70%.

The company operates in a duopoly and supervises a rail network that stretches 13,000 kilometers. In case you're unaware, **Microsoft** founder Bill Gates owns the most significant ownership stake at CNR. He bought the stocks through Gates' Cascade Investment and the Bill & Melinda Gates Foundation Trust.

While railways are asset-heavy investments and capital intensive, the nature of the business is a perfect hedge against inflation. Furthermore, railways are sustainable and reliable, so CNR is undoubtedly for keeps. Buy the [blue-chip stock](#) today and sleep easy for years.

Defensive wall

The **TSX's** volatility and erratic behaviour will not unnerve you any longer if you hold dividend all-stars in your basket of stocks. CWB, Metro, and CNR aren't high-flyers, but defensive walls against market disruptions.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:CWB (Canadian Western Bank)
4. TSX:MRU (Metro Inc.)

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