3 Top Stocks to Buy and Hold for Decades

Description

Are you investing for the long term but prefer to do away with constant monitoring? The buy-and-hold strategy works best for like-minded individuals. Don't let the noise bother you, and sleep easy. Purchase dividend payers with remarkable dividend-growth records. There'll be price fluctuations along the way, but the income streams should continue without interruption.

Top stock #1

All the Big Five banks in Canada are excellent long-term holdings, including the smallest in the group. **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) has been paying dividends since 1868. Also, the $55.89 billion bank has increased annual dividends for 10 consecutive years.

The share price today is $124.80, while the dividend yield is 4.68%. Your income stream should be safe given the less than 65% payout ratio. CIBC shares are holding steady in 2021, with its 16.13% year-to-date gain. Market analysts see the price potentially hitting $150 (+20%) in the next 12 months.

In Q1 fiscal 2021, all operating segments reported year-over-year growth. Overall, CIBC's adjusted net income rose 11% to $1.64 billion from $1.48 billion in Q1 fiscal 2020. Notably, the Capital Markets segment posted a 30% year-over-year increase. CIBC is a Dividend Aristocrat whose dividend has grown at a compound annual rate of 4.3% over the past 15 years.

Top stock #2

No one can't argue that **Telus** (TSX:T)(NSYE:TU) is a hands-down choice for most dividend investors. It's Canada's second-largest telecom company owing to its $35.15 billion market capitalization. The company also operates in a near monopoly, so the barrier to entry is stiff.

Telus delivers about $15.5 billion in annual revenue. On year-end 2020, the customer base is rock solid. The figure is now 16 million subscribers, with 10.7 million in the wireless segment. **Telus International** debuted on the TSX in early February 2021. Telus owns roughly 67.8% of the company that provides outsourced online customer service for international brands.

Management has plans to increase the telco stock's dividend between 7% and 10% annually through the year-end 2022. At the current share price of $26.06, the corresponding dividend yield is 4.78%. Since telecommunications services and the Internet are necessities, not luxuries anymore, Telus's core business should endure for years.

Top stock #3

Canadian National Railway (TSX:CNR)(NYSE:CNI) pays a modest 1.65% dividend, but it could serve to stabilize any dividend portfolio. The $105.66 billion company is the second-largest publicly traded railway in North America.

CNR's railway operations are 101 years old. The railroad network (about 20,000 route miles) transports finished goods, manufactured products, and natural resources across North America. The combined yearly volume is more than 300 million tons.

Canadian National Railway went public in 1995, and the dividend yield has increased every year since the IPO. In 2020, the company reported a net income of $3.8 billion and a free cash flow of $3.2 billion. The payout ratio is a low 46%, so expect continuous dividend payments for years even decades. A stock-repurchase program is also in place. Management intends to repurchase up to 14 million of its outstanding shares in 2021.

Much-needed income

Calm your fears about the market uncertainties due to the pandemic. Stick to the above-named buy-and-hold dividend stocks to keep receiving much-needed income during this recession.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TU (TELUS)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:T (TELUS)

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