



Beginner Investors: Top TSX Stocks I'd Buy and Never Sell

Description

Getting started investing can be pretty intimidating for beginners. Buying low and selling high is way easier said than done. And for beginner investors, it can be tough to be a contrarian, given fear and greed are the main emotions that tend to dictate their actions. [For such beginners](#), I'd take a page out of Charlie Munger's playbook by "trying to do less."

You don't need to buy and sell stocks on a day-to-day or even the month-to-month basis to do well in markets.

Beginner investors should be taking a page out of Charlie Munger's playbook, not the folks at WallStreetBets!

All you need to do is spot stocks that are priced below your estimate of its intrinsic value range and hold it for the long haul. By insisting on shares of "wonderful" businesses, as Munger does, you'll stand to benefit as a firm's intrinsic value increases over time. And it's such businesses that make more sense to hang on for years, if not decades at a time.

Heck, if you can help it, don't sell your top holdings, unless you think you'll have a big expense coming over the next few months or years. As an investor, you should commit to being invested for at least five years. Markets are an unpredictable beast, and if they were to crash tomorrow, you'd need to hold on and stick around for the epic recovery, as most others run to the hills.

Buying and never selling is harder to put into practice. But if you've found a truly wonderful business at a fair to wonderful price, you may wish to stash it in your TFSA (Tax-Free Savings Account) and just forget about it. With the advent of commission-free trading, and social media (think Reddit's WallStreetBets), it's never been more tempting to get in and out of stocks on a month-to-month or even a day-to-day basis.

Heck, Warren Buffett's recent moves have been pretty short term in nature. I'm sure the man has his reasons for disposing of the shares that his firm just picked up a few months ago. In any case,

beginner investors have a lot more to gain by doing as Buffett says, not as he does. And by trying to do fewer market moves, I think beginner investors will stand out of their own way and are more likely to achieve superior results over the long run.

Top TSX stocks I'd buy and never sell

When going on the hunt for TSX stocks you plan to hold for the extremely long term, look for the shares of companies with wide moats. Technology is a major tool that many up-and-coming firms have leveraged to disrupt and steal market share away from the top incumbents. Who knows what tech-leveraging firms will be capable of over the next 10 or 20 years?

That's why beginner investors need to insist on firms with wide moats. When it comes to moats, it's tough to match the railways. There's a reason why Warren Buffett and Bill Gates are so heavily invested in the rail sector. The industry has been little changed over the last 20 years, and the same is probably in the cards for the next 20 years.

CN Rail and **CP Rail** are two TSX stocks that should be at the core of any long-term-focused portfolio. The rails boast sky-high barriers to entry, protecting their share of economic profits. Over time, their moats will only stand to grow as the rails leverage new [technologies](#) to lower costs, improve efficiencies, and reduce derailments.

Furthermore, the railways can be expected to consolidate over time.

CN and CP are currently engaged in a [bitter bidding war](#) for **Kansas City Southern**. The winner of the war walks away with an incredible moat component and the title of first North American railroad to span three countries.

As news flows in surrounding the pursuit of KCS, CN and CP stock will be wildly volatile. And should either drop considerably, as CP did on Monday on breaking news relating to the bidding war, I'd look to be a buyer for the long haul.

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