



2 of the Best Canadian Stocks to Buy Now and Hold for Decades

Description

If there is one thing all investors have in common, it's that they love returns. That seems obvious, but that's really where the similarity ends. While some investors like passive investing, seeing small but consistent gains over years, others like individual Canadian stocks to buy with some more risk but often higher rewards.

While there isn't any wrong way to invest, it depends mainly on how much time and consistency you can give to your portfolio. But if you're an investor in a high interest savings account, I would definitely consider switching up your strategy.

Switch out the old, bring on the new

Decades ago, solid interest rates brought in in strong returns from investing in high interest savings accounts. Today, that's simply not the case. Many of these pay around \$1 interest, which actually means you're losing cash given the rate of inflation.

Instead, it's better to have a long-term investing strategy. Investors can choose a goal and work their investments toward that goal. If you have a Tax-Free Savings Account (TFSA), it means that even if you need money in the next few years, you can take it out at any time tax free. Thus, there are no worries about having access to your investments. You can continue growing your long-term Canadian stocks to buy to build up wealth.

The key is to find companies with a long history of solid performance, great management, strong balance sheets, and a positive future outlook to look forward to. These Canadian stocks are perfect to hold for long periods of time. If I were to choose two today, these are my top picks.

A top Canadian stock to buy for a green future

If you're looking to store your cash in a booming sector, the clean energy sector is where I would put my money. Specifically, **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a strong

option to choose during the recent pullback for those seeking a way to buy cheap and see massive returns.

What sets Brookfield Renewable apart from other clean energy companies is its diversification. The company invests in assets around the world in everything from solar to wind power. It generates more than 19,000 megawatts of power, and that continues to grow through its expansion via acquisition.

All this has happened before the incredible amount of investment set to come into the clean energy industry. In the next decade, \$10 trillion in global investment is estimated to be put toward clean energy solutions. Brookfield could therefore see an incredible increase in revenue as the world slowly but surely shifts toward clean energy.

Since the beginning of the millennium, shares in Brookfield have [increased by an incredible 3,535%](#). That's a compound annual growth rate (CAGR) of 18% during that time, far outpacing the markets. The company is very likely to continue growing by leaps and bounds, making it a top choice among Canadian stocks to buy now and hold for decades. And included is a solid 3.13% dividend yield.

A top income earner

Now if you *really* want more passive income in the coming decades, you'll want to invest in a company that is going to pump out dividends no matter what. One such example among Canadian stocks to buy is the banking sector. The Big Six Banks haven't missed a payout in decades and have been around for around 100 years. That includes **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)).

CIBC management is currently in expansion mode. While the top two Big Six Banks have already explored other options for growth, CIBC still has a ways to go. Investors worried it was too invested in Canada and they were right. A housing crisis should have shaken the company, but luckily it had planned for a market crash and rebounded to pre-pandemic prices within a year. As Canada enters a renewed "Roaring '20s," the company should continue to see massive growth that fuels returns.

That should tell you just how strong this bank is and why it makes such a great long-term investment. But if you're seeking passive income, that's the best reason to choose CIBC. It currently [offers a dividend yield](#) of 4.31%, or \$5.84 per share per year. That's by far the highest of the Big Six Banks.

CATEGORY

1. Investing
2. Personal Finance

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:CM (Canadian Imperial Bank of Commerce)

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Author

alegatewolfe

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