



2 Must-Own Stocks for All Canadians

Description

When the TSX is doing well, it's tempting to chase after quick returns before the market declines. However, it's not the ideal game plan if you want to secure your financial future. The best way is still to go long term. Unlike a short-term score, the chances of increasing net worth or financial security are higher through long-term investing.

[Financial dreams](#) are achieved with a longer time horizon. While the equities market has ups and downs, you can lower the risk and maximize returns by committing your funds for a protracted period. Dividend earners especially desire lasting income until the twilight years, if not forever.

Canadians are fortunate, because there are top-notch choices on the TSX that they can own well into the retirement years. The must-own stocks are **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) and **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Both are matured companies, and therefore, less volatile than [growth stocks](#).

Furthermore, dividends could even grow over time so that you could earn more than fixed-income investments. However, the stocks aren't 100% risk-free. Their share prices could fall depending on the economic environment. Nonetheless, the outstanding dividend track records give you the confidence to own them for life.

First dividend payer

BMO is the most investor-friendly stock if the basis is dividend sequence. This 204-year-old bank pioneered dividend payments. Sharing earnings with shareholders through dividends began in 1829, and the practice continues until today. The \$67.55 billion bank hasn't missed a payout ever.

Canada's fourth-largest bank has seen the best and worst of times. It has gone through two World Wars, the Great Depression, the 2008 financial crisis, and now the COVID-19 pandemic. Following its most recent quarterly results, BMO is well positioned for more business growth.

In Q2 fiscal 2021 (quarter ended April 30, 2021), BMO Financial Group reported a net income of \$1.3 billion on \$6 billion revenue. The increase over Q2 fiscal 2020 was 89%. For the first half of fiscal 2021,

the growth in net income versus the same period in the prior year is 46%.

Suppose you invest today; the share price is \$101.77, while the dividend yield is 3.33%. The bank stock's total return in the last 48.4 years is 27,705.33% (12.34% CAGR).

Treasured asset

Fortis is the treasured asset of risk-averse investors. The utility stock doesn't pay excessive dividends (3.56%), but somehow you can be sure of uninterrupted payouts, because the business model is low risk. Since almost 100% of its utility assets are regulated, cash flows are predictable, stable, and secure.

Likewise, the \$26.55 billion electric and gas utility company is a leader in dividend growth. Fortis has increased its dividend for the last 47 straight calendar years. A mediocre company can't sustain such a dividend-growth streak. At \$56.56 per share (+11% year to date), you get real value for money.

Don't expect much price appreciation, although there should be no wild swings. Fortis will hold steady regardless of the market environment. There's no reason to doubt the utility stock's propensity to support its dividend-growth streak in the future. Moreover, its diverse, highly regulated transmission and distribution businesses are enduring.

Income stability

Long-term investors prioritize the quality of dividends over quantity. BMO and Fortis do not offer the highest yields but give you peace of mind in return. Stocks that offer income stability for years are must-owns for all Canadians.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:FTS (Fortis Inc.)

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