



3 Forever Stocks to Hold Until You Retire

Description

No stock is entirely immune to market crashes. You *can't* have stocks that don't get buffeted by broad market headwinds or industry-specific problems. The closest you can get is to buy into businesses and companies that recover from these market crashes relatively swiftly, and temporary dips don't impact the long-term prospects of these companies too much.

These so-called “forever” stocks also make great [beginner stocks](#), that is, ideal for someone who doesn't understand the market very well yet. They can tie part of their capital to these reliable stocks and forget about it till retirement.

An energy stock

The energy sector has developed a reputation for uncertainty in the last few years. The sector has dipped and rose several times in the recent past, most noticeably in 2020 and 2021 (so far), but it might be safe to say that oil and gas aren't disappearing entirely for a few decades at least. And that makes [pipeline stocks](#) like **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)).

Thanks to the nature of its business, i.e., energy transportation, Pembina is relatively safer compared to other energy companies as it is. But that doesn't mean the company doesn't suffer alongside other companies in the sector when the demand is low, and the surplus oil becomes a liability for multiple stakeholders in the energy domain.

But the company has maintained its dividend growth streak, even during tough market conditions like the pandemic. It offers a generous yield of almost 6.5% and has some capital appreciation potential as well. The company has been making the news in the last few weeks due to its potential friendly takeover of **Inter Pipeline**.

A utility stock

One of the most well-known “forever stocks” in Canada is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), a utility giant

in Canada with an impressive presence in the US and the Caribbean. The company has 10 utility operations, about \$56 billion in assets (almost all of which are regulated), 2.1 million electric, and 1.3 million gas utility customers. This customer base is the primary reason Fortis is a reliable forever stock.

The company also holds the distinction of being the second oldest Dividend Aristocrat on the **TSX** and has been growing its payouts for the last 47 years. The current yield of 3.5% is decent enough, especially if you combine it with the long-term capital appreciation potential evident by the 10-year compound annual growth rate (CAGR) of 9.7%.

Together, both the numbers have the potential to make it a powerful retirement nest-egg building force for your portfolio.

A banking stock

If there is one sector you can almost never go wrong investing in Canada, is banking. And if you want to add a reliable [dividend stock](#) to your forever portfolio, the **Bank Of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) of the big-five is a choice worth considering. The bank is currently offering a juicy 4.7% yield at a relatively discounted valuation.

The stock is slumping a bit. If you wait a while, you might lock in an even juicier yield at a more discounted price in the next few weeks.

BNS is also a Dividend Aristocrat and has been raising its payouts for a decade. It has an impressive international presence (in 54 countries), and about one-third of its earnings come from outside the country.

It's among the top 10 banks in at least five countries it operates in (including Canada). Its capital growth has been relatively stagnant for the last five years, but its long-term capital appreciation potential is still impressive.

One of the largest digital banks in Canada, Tangerine is the fully-owned subsidiary of BNS.

Foolish takeaway

All three stocks offer a decent combination of dividends and long-term capital growth. If you are buying them for your retirement, consider a dividend reinvestment plan (DRIP) so that when it's time to actually benefit from these stocks (in retirement), you have enough stake in each company to make a sizeable passive income source.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:FTS (Fortis Inc.)
6. TSX:PPL (Pembina Pipeline Corporation)

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