3 Blue-Chip Canadian Stocks to Hold Forever

Description

A blue-chip stock usually possesses certain qualities that make it a desirable hold for the long term. These stocks are often elite in terms of market capitalization and within their respective sector. More than anything, these stocks are well established, financially sound, and can be trusted by investors. Today, I want to look at three Canadian stocks that fit this mould.

Why you can trust this top Canadian bank for the long haul

Royal Bank (TSX:RY)(NYSE:RY) is the largest financial institution in Canada and one of the largest banks on the planet. This Canadian stock has climbed 23% in 2021 as of close on August 6. Its shares are up 34% year over year. The Canadian banking sector is renowned for its stability. Royal Bank is the largest of them all and has been a dependable source of growth and income over the past decade.

Investors can expect the next batch of bank earnings later this month. In the first half of fiscal 2021, Royal Bank has delivered net income growth of 58% to $7.86 billion, or $5.92 per share. It has achieved this growth on the back of solid volume growth and lower provisions for credit losses. The bank has also received a boost from an improved Canadian economy.

Shares of this Canadian stock possess a favourable price-to-earnings (P/E) ratio of 13. It last paid out a quarterly dividend of $1.08 per share. That represents a 3.3% yield.

A blue-chip Canadian stock worth buying on the dip

Suncor Energy (TSX:SU)(NYSE:SU) is one of the largest oil producers in Canada. Last week, I'd suggested that investors should snatch up this Canadian stock after the release of its second-quarter 2021 results. Oil and gas prices have softened due to market anxiety surrounding the Delta variant and in the face of increased OPEC production. However, I'm still bullish on Suncor.

Shares of this Canadian stock have climbed 15% in 2021. However, the stock has plunged 14% in the month-over-month period. In Q2 2021, Suncor's funds from operations (FFO) rose to $2.36 billion or

$1.57 per common share compared to $488 million, or $0.32 per common share. The company expects gasoline and diesel demand to improve in the second half of 2021, which should, in turn, boost earnings.

This Canadian stock last had a P/E ratio of 24, putting it in solid value territory relative to its industry peers. It offers a quarterly dividend of $0.21 per share, representing a 3.4% yield.

One more Canadian stock to snatch up today

BCE (TSX:BCE)(NYSE:BCE) is the third blue-chip Canadian stock I want to focus on in this article. This top telecommunications and media company released its second-quarter 2021 results on August 5.

In the second quarter, the company reported net earnings growth of 149% to $734 million. Adjusted net earnings jumped 31.7% to $751 million, or $0.83 per share. It achieved this on the back of 6.4% consolidated revenue growth and 6.2% adjusted EBITDA growth. BCE continued to bolster its 5G footprint in the quarter.

Shares of this Canadian stock possess an attractive P/E ratio of 24, trumping its industry peers comfortably. Better yet, it last paid out a quarterly dividend of $0.875 per share. That represents a strong 5.4% yield.

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