



2 Blue-Chip Dividend Stocks to Buy and Hold Forever

Description

At writing, the **S&P/TSX Composite Index** is up by 16.86% on a year-to-date basis as it continues to remain near its new all-time highs. At these levels, it might be tempting to consider buying and holding shares of growth stocks that are typically prone to volatility during bearish market conditions.

Buying [high-growth stocks](#) is a good approach during bull market conditions. However, it would be a wise decision to consider diversifying your investment portfolio and increasing your exposure to high-quality blue-chip stocks that are better long-term investments.

Blue-chip stocks are typically companies with certain qualities that make them ideal investments for long-term investors. These companies are often considered to be the top in their respective industries and boast a higher market capitalization than their peers.

The most important aspect of these companies is that they are well-established players in their industry, boast solid financials, and can be trusted by investors to generate stellar long-term wealth growth. Many blue-chip stocks also offer reliable shareholder dividends. Investing in [dividend stocks](#) that can deliver returns through capital gains and reliable payouts could help you generate lasting wealth.

Today, I will discuss two such blue-chip stocks that you should have on your radar today.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is the first blue-chip stock I wanted to discuss today. The company is a giant in the Canadian telecom and media industry and boasts nationwide coverage that gives the company a wide and highly defensive economic moat. The growing popularity of 5G technology is the next major shift for the global telecom industry, and BCE has increased its capital spending to expand its 5G coverage.

The company plans to provide its 5G services to 70% of the Canadian population by the end of 2021. Additionally, the company has invested in improving its fiber and rural home internet networks to

improve its revenues. Besides its growing telecom and internet revenues, BCE saw its media segment report an impressive 30% increase in revenues in its media segment in the last quarter.

At writing, the stock is trading for \$64.44 per share and boasts a juicy 5.43% dividend yield.

Royal Bank of Canada

The **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is the largest financial institution in the country in terms of its market cap. Until **Shopify** stock came along to dethrone it, Royal Bank was also the top stock on the **TSX** in terms of market cap. The bank is one of the top financial institutions worldwide and a staple in many investor portfolios.

The Canadian banking sector is renowned for its stability, and Royal Bank stock arguably represents the best that the industry has to offer. The stock has been an ideal asset to provide its investors with wealth growth through capital gains and reliable dividend income for a long time. The ongoing economic expansion, lowered provisions for credit losses (PCLs), and increased consumer demand has allowed the stock to deliver solid growth this year.

At writing, the stock is trading for \$131.18 per share and boasts a 3.29% dividend yield.

Foolish takeaway

While the positive momentum in the stock market generally bodes good news for growth-seeking investors, it is also a good time to practice some caution with your investment capital. There is no way to predict when a market crash will happen, but a significant downturn could devastate your capital.

Investing in assets that boast defensive qualities and wide enough economic moats to weather market corrections to [deliver solid long-term wealth growth](#) would be a good way to go. BCE stock and Royal Bank stock could be ideal assets to consider for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

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3. TSX:BCE (BCE Inc.)
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