



2 Large-Cap Stocks to Own for Decades

Description

The **TSX** is your supermarket for dividend stocks, growth stocks, and [value stocks](#). Investors flock to the exchange to buy assets that consist of small-cap, mid-cap, and large-cap stocks. However, to most investors, size matters. Companies with market caps of \$10 billion or more are large-cap stocks.

The key takeaway for large-cap investments is that the companies are more stable and mature. While they might have less growth potential, they ensure stability in your portfolio. More importantly, an economic downturn won't render them insolvent or cripple income generation.

If you were to make a large-cap investment today, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) are the no-brainer buys. The energy stock and industrial stock are not only market movers but also economic drivers. Since the companies will stand tall regardless of the market environment, you can own the stocks for decades.

Number one energy stock

Enbridge ranks [number one](#) in the energy sector. The \$98.69 billion energy infrastructure company has been around for over seven decades. It plays a critical role in North America because its pipeline network is responsible for transporting 25% of the region's oil. The gas transmission business moves 20% of total consumption in the U.S.

[Dividend investors](#) love Enbridge for its high yield. Apart from the 6.84% dividend, management has increased dividends for 26 consecutive calendar years (10% annually). At \$48.84 per share, the energy stock outperforms with its 26.43% year-to-date gain.

Enbridge's operational performance and financial results in the six months ended June 30, 2021, were steady as usual. Enbridge President and CEO Al Monaco said, "Our performance in the first half of 2021 has set us up well for the full year." He added that the company is on track to bring \$10 billion of projects into service in 2021.

For 2022, the capital allocation priorities are: preserve financial strength, sustainable dividend growth,

and further organic opportunity. Management expects to generate between 5% and 7% distributable cash flow (DCF) growth through 2023.

Economic driver

Unlike Enbridge, CNR pays a modest 1.84% dividend. However, the \$95.28 billion railway operator is the perfect complement to the top-tier energy infrastructure company. You'll have more stability in your portfolio.

CNR is on the cusp of taking over American railway operator **Kansas City Southern (KCS)**. Once complete, the Canadian firm will build the first railway that traverses the U.S., Mexico, and Canada. It would be the premier railway for the 21st century, according to KCS.

However, **Canadian Pacific Railway** won't stop to nix the deal. On August 10, 2021, CPR submitted a revised proposal for KCS worth US\$31 billion (stock and cash). The original suitor believes it has a superior proposal over CNR. Unfortunately, the KCS board stands by its recommendation to shareholders to vote in favor of the pro-competitive, end-to-end merger with CNR.

KCS is waiting for the approval of the CNR's proposed voting trust by the Surface Transportation Board before voting on the takeover bid. Based on analysts' forecast, the share price to climb from \$133.72 to \$145.27 (+8.64%) in the next 12 months.

Everlasting cash flows

Typical investors in large-cap stocks are people with conservative risk appetites. They won't mind little capital gains from well-established companies like Enbridge and CNR. However, both stocks won't disappoint in providing uninterrupted, everlasting cash flows.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. cliew
3. metienne

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/08/17

Date Created

2021/08/20

Author

cliew

default watermark

default watermark