End Your Market Worries for Good With 2 Time-Tested TSX Titans

Description

The TSX had an explosive start to September, as it climbed double digits to a new record high. Canada's primary benchmark closed at 20,689.58 after slipping on August 31, 2021. Some observers are now saying a severe correction will come next, because the market has been rising for a long time. Overvaluation and irrational exuberance could trigger a downturn.

Statistics Canada reported that the quarter from April to June 2021 was the worst since the start of the pandemic. The country's real gross domestic product dropped 1.1% (annualized rate), below the estimated expansion annual rate of 2.5% for the second quarter.

The agency predicts the economy could contract further in July. We can't say how the market will react to this latest development. Home resale activities and exports dropped during the quarter. **BMO's** chief economist Douglas Porter believes the landscape has become more complicated for the Bank of Canada.

According to **CIBC** senior economist Royce Mendes, the Canadian economy wasn't on a solid footing as many believed. If another storm is brewing, it would be best for investors to play safe. End your market worries for good by making two time-tested TSX titans your anchors.

Steadiest in a crisis

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) was the steadiest company during the 2008-2009 financial crisis. Canada's second-largest bank reported revenue and income growth, despite the meltdown. For the nine months ended July 31, 2021 (fiscal 2021), net income rose 55.76% versus the same period last year.

TD's provision for credit losses (PCL) also dropped significantly to $101 million from $6.3 billion. Notably, its U.S. Retail segment reported a 92% increase in net income in Q3 fiscal 2021 compared to Q3 fiscal 2020. TD's U.S. retail bank alone had a record $1.098 million net income during the quarter.

As of September 1, 2021, TD trades at $82.13 per share (+17.6% year to date). Last year, the share price sunk to as low as $46.03, yet the bank stock still rewarded investors with a 51.73% return. In the last 48.75 years, TD's total return is 36,025.02% (12.84% CAGR). The $149.48 billion bank currently pays a 3.86% dividend.

Low-risk growth platforms

Enbridge (TSX:ENB)(NYSE:ENB) has had its share of ups and downs. The TSX's energy sector received the worst beating in 2020. The shares of the energy giant sunk to a low of $30.55 on March 20, 2020. Investors lost 15.3% in the year, although they were kept whole on the dividend payments.

Many energy companies had to slash dividends to preserve cash and protect the balance sheet. Enbridge didn't make such a move. If you were to invest today, the share price is $49.83 (+28.99% year to date), while the dividend yield is 6.73%. The total return of this top-tier energy stock in the last 45.7 years is 47,445.16% (14.44% CAGR).

The $100.94 billion energy infrastructure company has four growth platforms where the business model in each is consistent with Enbridge's low-risk pipeline-utility model. Management expects to generate significant EBITDA and free cash flow growth when its $10 billion worth of projects are placed into service this year.

Income stability

Drown the market noise and calm your fears with TSX's titans this September. Toronto-Dominion Bank and Enbridge have seen the worst downturns and emerged stronger every time. You have income stability regardless of the economic environment.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:ENB (Enbridge Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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. cliew
2. kduncombe

Category

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

Date
2025/08/17
Date Created
2021/09/03
Author
cliew