



## 2 Top TSX Stocks to Buy Now and Hold for 40 Years

### Description

Young investors who want to get their self-directed [RRSP](#) going are searching for top TSX stocks they can simply buy through their [online brokerage account](#) and forget until they retire.

### Power of compounding

One retirement strategy to consider involves buying top [dividend stocks](#) and using the distributions to acquire new shares. This sets off a powerful compounding process that can turn small original investments into substantial savings over the course of two or three decades.

Top companies normally increase distributions at a steady pace, and their share prices tend to rise in step with growing revenue and profits. When markets go through corrections, investors should take advantage of the lower stock price to buy more shares.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is a leader in the Canadian communications industry. The company has been around for more than 140 years and continues to evolve with the advancements of technology. What hasn't changed is BCE's great dividend, which investors have relied on for decades.

BCE is now a very large company with a market capitalization of nearly \$60 billion. This gives BCE the financial clout to make the investments needed to maintain its leadership position in the industry and protect its wide competitive moat. BCE is expanding its fibre-to-the-premises initiative, connecting homes and businesses directly to fibre optic networks. BCE also just spent \$2 billion on new spectrum required to build out its [5G network](#).

BCE can take advantage of its large customer base of millions of mobile, TV, and internet subscribers to add new services such as security and remote monitoring. As technology advances, new revenue sources, such as movie streaming, also emerge. In addition, BCE's media business contributes valuable content that can be distributed across multiple platforms.

The company generates strong free cash flow to support the dividend, and investors shouldn't have to worry about the safety and reliability of the payouts. The stock currently provides a 5.4% dividend yield.

## TD Bank

TD ([TSX:TD](#))([NYSE:TD](#)) is Canada's second-largest bank with a [market capitalization](#) of \$150 billion. The business is well known for its Canadian retail banking operations, but TD also has a large presence in the United States that was built through a series of acquisitions that started around 2005.

The American business now has the scale that TD needs to compete with the large U.S. banks and is a strong brand from Maine right down the east coast to Florida.

TD continues to generate robust profits, even in these challenging times. The company is sitting on a war chest of excess capital, and investors should get a nice dividend increase as soon as the government lets the banks restart distribution hikes. TD might also use the cash hoard to make a strategic acquisition to drive future growth.

The stock is off the 2021 high, giving investors a chance to buy TD on a bit of a dip. At the time of writing, the stock provides a yield of 3.8%.

## The bottom line

BCE and TD have been around for a long time, and patient investors have built up significant wealth by owning these stocks and using the dividends to buy new shares. If you are searching for anchor dividend stocks to start a diversified RRSP portfolio, TD and BCE deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BCE (BCE 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. aswalker
2. kduncombe

#### **Category**

1. Dividend Stocks
2. Investing

#### **Date**

2025/08/15

#### **Date Created**

2021/09/17

#### **Author**

aswalker

default watermark

default watermark