



2 Canadian Dividend Stocks I'll Hold Forever

Description

There aren't many stocks I'd be comfortable holding forever. Most of the stocks in my portfolio are meant to be long-term plays, but there are few I would say I'll hold for the rest of my life. There is always the risk of an individual company facing an existential threat, and if one materializes, you need to sell. Despite that, there are a few stocks in my portfolio I could easily see myself holding forever. In this article, I will discuss two of them.

CN Railway

The **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) is a [Canadian railway stock](#) that I have held for several years now. The stock has performed well in both bull and bear markets, and I think it will continue to do so going forward.

Why do I think that?

Because the company provides an economically indispensable service. As Canada's largest railroad, it connects three separate coasts in North America. This gives it an edge in long-distance rail transport across large areas and helps it transport \$250 billion worth of goods per year—more than its closest competitors.

As long as the North American economy grows, CN Railway will grow along with it. As a transporter of basic goods and services, its condition is highly correlated with that of the economy as a whole. That's not to say that the company will simply grow in line with gross domestic product, however. CN has a number of ways of juicing its earnings, including raising rates, adding new routes, and buying out other companies. By the way, shipping rates are on the rise this year, and CNR is getting in on the action, so we may see good things when the company reports earnings in October.

TD Bank

The **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is Canada's second-largest bank by market cap.

It's my personal favourite Canadian bank because it has the most U.S. exposure. TD's U.S. retail business is about 9th place in the United States. That's based almost entirely on its huge presence on the east coast. TD has barely even begun to crack West Coast markets like California and Nevada, so there is some serious growth potential here.

TD also gets U.S. exposure through its large stake in **Charles Schwab** ([NYSE:SCHW](#)). TD Bank is the largest shareholder of Charles Schwab, America's biggest brokerage. This gives it a substantial cut of revenue generated by brokerage activity in the United States. Every quarter, Charles Schwab brings in hundreds of millions in earnings to TD Bank.

In the most recent quarter, SCHW's contribution was a little disappointing, [coming in at just \\$197 million](#) (in the prior-year quarter TD Ameritrade contributed over \$300 million). It wasn't Schwab's best showing ever, but previous quarters were pretty strong. So, TD is well-positioned in the U.S. brokerage industry through its position in Charles Schwab.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:SCHW (The Charles Schwab Corporation)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:CNR (Canadian National Railway Company)
5. 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. andrewbutton
2. arosenberg

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2021/09/28

Author

andrewbutton

default watermark

default watermark