



## 2 of the Smartest Canadian Stocks to Buy and Hold Forever

### Description

Market volatility is slowly rising again, as evidenced by the TSX's erratic behaviour in recent weeks. The rise of oil prices to as close as its three-month high boosted the energy sector and lifted Canada's main stock index to start the week of September 27, 2021.

Factors other than the pandemic have emerged to threaten or shake the market. Nevertheless, it shouldn't discourage people from staying invested or prevent them from investing. In the last six months, the financial and consumer staple sectors have displayed resiliency. Both have advanced more than 8% in the last 30 days amid the uncertainties.

Today, the [smartest investment choices](#) are **Canada Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) and **North West Company** ([TSX:NWC](#)). You can buy shares of the pair, ignore the market noise, and hold the stocks forever. Their stock prices could dip due to investors' sentiment, but it won't disrupt [dividend payments](#).

### Resilient big bank

CIBC is the steadiest, if not the top-performing big bank stock this year. Canada's fifth-largest lender pays a 4% dividend and enjoys a 38.3% gain, thus far, in 2021. During the market selloff in March 2020, the price sunk to as low as \$62.22. Investors didn't dump the stock because they knew it would recover.

The \$65.56 billion bank pared down the losses as expected. Its current share price of \$145.67 is 134.1% higher than its COVID low. The price target of market analysts in the next 12 months is between \$148.51 (+1.9%) and \$170 (+16.7%). Moreover, the 19,560.27% (11.42% CAGR) total return in the last 48.82 years should give you the confidence to invest in CIBC.

CIBC was the only big bank that reported more than 300% net income growth in Q2 fiscal 2021 versus Q2 fiscal 2020. For the nine months ended July 31, 2021, revenue and net income growth compared to the same period last year was 5.7% and 80.3%, respectively.

Management announced on September 27, 2021, that former Innovation Minister Navdeep Bains would sit as Vice-chairman of Global Investment Banking. Navdeep joins former cabinet minister Lisa Raitt as a member of CIBC's senior advisory team.

## Resilient as ever

North West Company is a [no-brainer buy](#) regardless of the economic environment. The \$1.66 billion retailer has endured deep recessions and downturns throughout its 353 years of corporate existence. Today, the company dominates the markets in hard-to-reach, underserved communities in Canada. It also caters to customers in far-flung Alaska, the South Pacific, and the Caribbean.

Food sales contribute almost 75% of total revenues, while the rest comes from general merchandise and related services. The company has a cargo airline that gives it a logistical advantage. Store development and management, along with supply chain strengthening, are ongoing concerns.

Since most annual revenues are from essential or everyday products, cash flows are stable and resilient as ever. Performance-wise, the consumer-defensive stock is up 9.36%. The current share price is \$34.39, while the dividend yield is 4.28%. North West's payout ratio is less than 50%, so the payouts should be safe and sustainable.

## Mitigate the risks

The TSX could face headstrong waves in the fourth quarter. Canadians can mitigate the risks and ride out the approaching storm by owning smart stocks. Dividend aristocrats like CIBC and North West Company will not disappoint investors. If you buy the assets now, you can hold them for good.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:NWC (The North West Company Inc.)

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