



3 Stocks to Buy in October

Description

Finding the right mix of investments for your portfolio is something that takes time and patience. This important consideration applies to both seasoned and new investors. With the end of September here, this is the perfect time to look at some stocks to buy in October.

Banking on an increase

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is one of Canada's largest big banks. Following a masterstroke expansion into the U.S. market, the bank is now a well-diversified solid earning asset to any portfolio.

That aggressive expansion now comprises a branch network that is larger in number than TD's network in Canada. By way of example, TD's U.S. presence now stretches from Maine to Florida. More importantly, that U.S. segment also constitutes a growing percentage of TD's earnings.

In terms of income, TD has a solid history of paying out dividends that spans back over a century. The current quarterly dividend on offer works out to a decent yield of 3.72%. TD also has a storied history of providing annual bumps to that dividend going back years.

Those annual hikes were halted last year when the pandemic started, and many believe the restriction on those hikes could be coming later this year. Speaking of later this year, TD has an upcoming ex-date in early October, which is just one more reason to act and buy in October.

It's (almost) the most wonderful time of the year

As much as I hate to remind everyone, the holiday shopping season is just around the corner. This means that investors can take a moment to consider one or more solid retail stocks.

One such stock to consider is **Canadian Tire** ([TSX:CTC.A](#)). Canadian Tire is currently trading down from its all-time high hit earlier in the year. The stock is still up over 9% year to date, but don't be

mistaken — Canadian Tire has huge potential.

Over the past few years, Canadian Tire has revamped itself considerably. The retailer was once viewed only as a brick-and-mortar retailer that sold a little of everything. Canadian Tire was also known for not embracing e-commerce, preferring foot traffic, and printed weekly flyers.

Today, the company has a booming online sales channel and has diversified into other areas such as clothing. The company also boasts a growing number of signature brands to counter the online thread only available through Canadian Tire.

Finally, Canadian Tire boasts a respectable quarterly dividend, which is rare for a traditional retailer. The current yield comes out at 2.52%.

Why then should you buy in October? Apart from getting a head start on the currently discounted stock price and the holiday shopping season, here's something more: that tasty dividend has an upcoming ex-date in October.

Buy in October and get paid in December

Here's one final stock investors may want to consider: **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Utility stocks are [incredible long-term investment options](#). They generate a stable and recurring revenue stream, are defensive and pay out a handsome dividend. In the case of Fortis, the company offers investors two additional advantages.

First, Fortis is investing heavily in growth initiatives. Apart from expanding its already massive footprint, that expansion includes transitioning over to renewable energy. This is setting up Fortis for decades of additional growth potential.

Speaking of decades, the other reason to consider Fortis now is the company's just-announced dividend hike. Fortis announced yesterday a nearly 6% hike to its dividend, which will be paid out on December 1. Incredibly, this is Fortis's 48th consecutive annual dividend hike.

Let me put it another way: buy in October, generate some income, and hold Fortis forever.

Final thoughts

The stocks outlined above all have growth and income-earning potential. Prospective investors won't need to wait long for that income either, as they have upcoming ex-dates.

In my opinion, any of these stocks could form part of a [well-diversified portfolio](#). Buy in October, hold them forever, and watch them grow.

CATEGORY

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
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5. TSX:TD (The Toronto-Dominion Bank)

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