2 Cheap TSX Stocks to Buy and Hold Forever

Description

There aren't that many TSX stocks that you can genuinely buy and hold forever. Undoubtedly, you'd need an impenetrable moat to justify holding for many decades at a time. In this day and age, where technological disruption has caused the moats of many incumbents to erode, it's become tougher to adopt a buy-and-hold-for-life type of strategy that may have been popular with Charlie Munger in the many decades prior.

After buying a stock, one's research doesn't end. In fact, it just begins. Why? One must ensure that their original thesis still holds. If it doesn't, it's time to re-evaluate and potentially do some trimming or throw in the towel on a position altogether.

Indeed, one must update their theses occasionally, especially if something, like a new entrant in the industry, suddenly shows up on one's radar. Such disruptors may not be in a spot to steal meaningful share over the medium term such that a stock will be materially affected to the downside. Still, one must acknowledge a disruptor and evaluate how a company that one holds shares in will respond to such a potentially disruptive threat. It's no easy task, but to be a truly great investor, one must be willing to put in the homework to achieve better results than markets.

Truly wide-moat names are still out there!

For those who don't want to follow regularly, though, there are still wide-moat TSX stocks out there that one doesn't need to keep up with on the week to week or even quarter to quarter! However, it is worth one's time to look into a firm's quarterly and annual reports!

Consider **Fortis** (TSX:FTS)(NYSE:FTS) and **Northland Power** (TSX:NPI), two magnificent dividend growers that have pretty sizeable moats surrounding their operations. Both names are great candidates, if not to buy and hold forever, to buy hold for the next 10, 20, or even 30 years.

Cheap TSX stock #1: Fortis

Fortis is arguably one of the most boring stocks on the TSX. It's not going to hog the headlines of your favourite financial television shows, because the company's operations are so regulated that investors know what to expect. Of course, there's some degree of error and unpredictability, but for the most part, earnings aren't going to be significant needle movers that require one to bite their nails!

For that reason, shares of FTS are a top holding among conservative investors or those that know that stocks don't always go up. Fortis is an excellent foundation with a wide moat in the form of its regulated assets. Simply put, it's just not worth the massive effort to go after Fortis's slice of the pie. It doesn't make sense, and there's not much economic profit to be had by investing in pushing into Fortis's turf.

Fortis isn't exciting, but its 3.7% yield certainly is for those seeking a way to fight off inflation.

Cheap TSX stock #2: Northland Power

Northland Power is another great dividend stock that has a growing moat. It's a green power play and one of the cheapest on the TSX right now, with shares down over 11% year to date and 21% from its peak hit earlier this year. The renewable energy stocks boomed, and now they're busting, providing investors with an excellent opportunity to get in at a reasonable price.

Northland has a significant growth pipeline that's capable of fueling years' worth of dividend growth. As the pullback continues, expect the yield to continue to swell. Currently, shares yield 3%, making the name a worthy pick for those looking for a long-term clean energy play on the cheap!

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:NPI (Northland Power Inc.)

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