



3 Holiday Stock Buys That Belong in Your Portfolio

Description

It's no secret that some investment options are better than others. And with 2021 finally coming to a close, it's a great time to consider some of the stellar holiday stock buys available at the moment.

Here are several such options to consider for your portfolio.

Tollbooth-like income? Check. Long-term growth? Check!

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a solid buy anytime of the year. The company is predominately known for its lucrative pipeline segment. There's a good reason for that. That pipeline network is one of the largest on the planet and generates well over 80% of Enbridge's revenue. Further to that, the stability and the sheer necessity of the oil transported through that pipeline make it a solid revenue generator.

Beyond the pipeline network, Enbridge also boasts a massive natural gas network. That segment transports one-quarter of the natural gas needs of the United States. Again, necessity and stability make this another cash cow for the company.

Finally, there's Enbridge's renewable energy segment. While still accounting for under 5% of company revenue, the segment is rapidly growing. Prospective investors should keep in mind that new renewable energy facilities adhere to the same lucrative business model as utilities.

Collectively, all three segments contribute to what investors will really love — Enbridge's quarterly dividend. The current yield works out to a mouth-watering 7.13%. If that weren't enough already, Enbridge also provides investors with a healthy annual bump to that dividend. The practice has continued for well over two decades without fail.

How about a defensive stock with massive income potential?

When describing the appeal of Enbridge's renewable energy segment, I mentioned the lucrative

business model that utilities follow. It seemed only fitting to mention a utility as one of the holiday stock buys for your portfolio. That utility to consider is **Canadian Utilities** TSX:CU).

Utilities are incredibly defensive investments. Utilities are bound by long-term regulated contracts that span decades. In other words, for as long as the utility continues to provide service, it receives a steady and recurring revenue stream.

Apart from being a [great buy-and-forget stock](#), Canadian Utilities boasts a juicy dividend and an incredible 49-year streak of providing annual dividend hikes.

That dividend currently works out to an appetizing 4.80%. To put those earnings into context, allocating \$35,000 in your TFSA to Canadian Utilities would provide \$1,680 income during just the first year.

Prospective investors should note that when Canadian Utilities hits that 50-year mark next year, the company will become the only Dividend King in Canada.

Bank on growth. Bank on income. Buy this bank!

Canada's big banks are some of the best long-term investments on the market. That view applies to both growth- and income-seeking investors. While all of Canada's big banks are great investments, the one bank in particular to mention today is **Bank of Montreal** (TSX:BMO)(NYSE:BMO).

BMO is neither the largest nor the most well known of Canada's big banks. What the bank does offer is well over a century of dividends, and an impressive, if not an aggressive stance on growth.

From an income standpoint, BMO provides investors with a quarterly dividend that earns a healthy 4.00% yield. Even better, recently, BMO announced an appetizing 25% hike to that dividend.

Turning to growth, BMO has followed most of its big bank peers in turning to the U.S. market for growth. This includes the recently announced acquisition of Bank of the West, a subsidiary of France-based PNB Paribas. The \$16.3 billion deal was announced [earlier this week](#).

Upon closing the deal will add \$89 billion in deposits as well as over 500 branches and millions of customers to BMO's growing footprint. Perhaps most importantly, BMO will gain access to the market in California.

Final thoughts: What are your holiday stock buys?

No stock is without risk, but fortunately, the risk involved in the holiday stock buys noted above is minimal. All operate in a segment of the market where there is demand if not a necessity for the services they offer. Furthermore, all provide long-term growth and income-earning potential.

In short, these holiday stock buys check off all the boxes needed for any well-diversified portfolio. Buy them, hold them and watch them grow — just in time for the holidays!

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CU (Canadian Utilities Limited)
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