



2 Passive-Income Stocks to Buy and Hold Forever

Description

[Dividend investing](#) in the right stocks trading on the TSX can become a gift that keeps on giving. You can use your shareholder returns through the dividend payouts to supplement your active income, which can help you manage your monthly expenses better.

Suppose that you are doing well enough with your active income that you don't need another revenue stream to support your expenses. In that case, you can choose to reinvest your shareholder dividends to unlock the power of compounding and accelerate your wealth growth.

Investing early and staying invested in these dividend stocks for decades could help you reach a point by your retirement where you could use the higher [dividend income](#) to supplement your pension income in your golden years.

Today, I will discuss two Canadian dividend stocks that you could consider if you have a long investment horizon to meet your financial goals.

Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is a \$74.86 billion market capitalization multinational banking and financial services company headquartered in Toronto. CIBC is one of the Big Six Canadian banks, and it could be a viable investment for you to consider if you are looking for income-generating assets to buy and hold for a long time.

CIBC expects to see its profit margins for its operations in the domestic market and the U.S. increase considerably with impending interest rate hikes in both countries later this year. A sharp spike in interest rates could cause issues by placing the bank's residential mortgage portfolio at risk of loan defaults. However, that's unlikely to happen, because the housing demand will likely remain strong, even as rates rise due to low supply.

The bank has more than enough capital set aside to ride the wave if a downturn does take place. At writing, CIBC stock trades for \$164.89 per share, and it boasts a juicy 3.91% dividend yield that you

could lock into your portfolio today.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a \$112.18 billion giant in the Canadian energy industry headquartered in Calgary. The company boasts an extensive energy infrastructure portfolio that's responsible for transporting a substantial portion of all the natural gas and crude oil used in North America, making its services essential to the economy.

Enbridge is a strong business that generates considerable cash flows. The company's management can use its revenues to fund its rising shareholder dividends comfortably. Enbridge also boasts substantial long-term growth potential as it expands into the renewable energy industry. At writing, Enbridge stock trades for \$54.99 per share, and it boasts a juicy 6.26% dividend yield.

Foolish takeaway

CIBC stock and Enbridge stock pay attractive shareholder dividends that are likely to continue growing over the years based on the respective track records for both companies. If you have some contribution room available in your Tax-Free Savings Account, you could allocate some of it to buying and holding these two stocks to [enjoy tax-free returns](#) on your investment.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:ENB (Enbridge Inc.)

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Author

adamothonman

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