



2 Stocks to Load Your Portfolio With

Description

The market is full of opportunities for long-term investors, even in [periods of extreme volatility](#). But what stocks should investors start with? Here are two great stocks to load your portfolio with now and for the future.

Opportunity #1: You are what you eat

Grocers went into the pandemic as essential businesses that remained open and (mostly) stocked. More importantly, it's the necessity of the service that grocers provide that really became evident during the pandemic.

That's just one reason why investors should look at **Loblaw** ([TSX:L](#)) as one of the stocks to load your portfolio with: Loblaw is the largest grocer in the country, with more than 2,400 stores under over a dozen brands scattered across the country. The company's reach is huge — over 90% of Canadians live within 10 km of a Loblaw-owned store.

Apart from the all-important food business, Loblaw also operates the largest pharmacy network in the country under its Shoppers label. The company also has a growing financial business and a lucrative rewards program.

But how good of an investment is Loblaw?

That's a valid question. Inflation is soaring. Food prices are spiking. This is where Loblaw's wide net on the market comes into play. As consumers buy less more frequently, they shift to discount retailers. (Yes, Loblaw has some of those under its brand library, too).

In the most recent quarter announced this week, Loblaw reported earnings of \$437 million, or \$1.30 per diluted share. By way of comparison, in the same period last year, Loblaw reported \$313 million, or \$0.90 per diluted share.

Finally, let's talk dividends. Loblaw offers a quarterly dividend, which works out to a forward \$1.46 per

share, or a yield of 1.28%. While that may not be the highest return on the market, it is stable, well-covered and growing. Speaking of growth, the most recent 11% uptick was announced this week, which was also the 11th consecutive annual increase.

Collectively, this makes Loblaw one of the great stocks to load your portfolio with.

Opportunity #2: Banking on growth continues to be a wise move

Canada's big banks are great stocks to load your portfolio with. They offer solid returns and handsome income wrapped in a defensive package that is hard to beat.

But which of the big banks should you invest in?

Let's take a moment to talk about **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)). BMO is neither the largest nor most well known of the banks, but it does have a trio of factors that make it a superb stock to line your portfolio with.

First, there's BMO's domestic segment. Like all the big banks, BMO boasts a solid domestic arm that continues to churn out positive results with each passing quarter. This not only feeds the company's dividend (more on that in a moment), but also provides fuel for BMO's expansion efforts to international markets.

That growth into new markets sets BMO apart from most of its peers. BMO has primarily focused that growth on the U.S. market, which has until recently was centered on the BMO-Harris network in the Chicago-area.

I say *recently* because BMO announced the acquisition of San Francisco-based Bank of the West late last year. The whopping US\$16.3 billion deal will give BMO access to several new U.S. markets, including California. The deal also brings with it over one million new customers and billions in deposits and loans.

Finally, let's talk dividends. BMO is *the* oldest dividend-paying company in Canada with a whopping 193-year record without fail. During that time, the company has (with some exceptions) provided annual bumps to that dividend.

Today, BMO pays out a yield of 3.93%, making it one of the better-paying stocks to load your portfolio with.

Stocks to load your portfolio with now

No investment is without risk, but, fortunately, both Loblaw and BMO are mature, established investments that can cater to growth and income needs. They also offer some defensive appeal, making them great options for any [well-diversified portfolio](#). In short, buy them, hold them, and retire comfortably.

CATEGORY

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2. TSX:BMO (Bank Of Montreal)
3. TSX:L (Loblaw Companies Limited)

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