



2 Stocks to Buy and Hold for Decades

Description

HODL became a popular acronym for crypto investors during the height of **Bitcoin's** volatility in 2013. For frightened crypto investors, it means "hold on for dear life." In 2022, investors in digital assets are again holding on for dear life due to extreme volatility.

The **TSX** is also experiencing a higher degree of volatility, although it's not as pronounced compared with the cryptocurrency market. Canada's primary stock market index posted multiple new highs early in the year until rising inflation and global supply chain bottlenecks triggered a market selloff in June.

You can still stay invested in stocks, despite the uncertainties. The key to mitigate the market risks is to limit your exposure to well established, matured companies that have stood the test of time.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) are top-tier investments for risk-averse income investors. Even [beginners or newbies](#) should have the confidence to invest Canada's oldest bank and largest telecommunications company. Buy either stock or both and hold them for decades.

Strong financial institution

BMO is a very strong financial institution, as evidenced by its ability to endure recessions and downturns, including two World Wars. The \$83.84 billion bank is also TSX's dividend pioneer. It started the practice of sharing a portion of profits with shareholders in 1829. By 2029, BMO's dividend track record will be 200 years.

Seasoned investors have no reservations holding this big bank stock, because Canada's banking sector is in excellent shape. BMO increased its dividend by 25% in late 2021, the highest percentage increase among the six industry giants. Management will also increase the yield by 5-6% effective Q3 fiscal 2022.

If you invest today, the share price is \$124.85 (-6.58% year to date), while the dividend yield is 4.49%. Since the payout ratio is only 26.23%, BMO can sustain dividend payments amid the massive

headwinds. Canada's third-largest bank is awaiting approval of its takeover of Bank of the West in the United States, which should be the next growth driver.

Hands-down choice

BCE dominates the telco space along with **TELUS** and **Rogers Communications**. However, the \$57.78 billion company is the hands-down choice if the criteria is dividend longevity. Like BMO, the telco stock has been paying dividends for more than a century. At \$63.27 per share (-1.05% year to date), the dividend offer is a lucrative 5.82%.

The potential for future price appreciation is very high. BCE's competitive advantages include an extensive distribution network, operational efficiency, and growing demand for the 5G technology. The payout ratio of more than 100% is understandable, because BCE has a large capex for infrastructure upgrades and wider coverage.

BCE's average net income in the last three years is \$2.88 billion. Based on the present run rate, the potential profit in 2022 is \$3.07 billion.

Collect income for years

Smart investors can buy on the dip this month, especially if the prospects are top-tier dividend stocks like BMO and BCE. Their price pullbacks are temporary, and you can collect income for years. Newbie investors get real value for money while boosting their emergency fund, saving for the future or building retirement wealth.

CATEGORY

1. Dividend Stocks
2. Investing

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3. TSX:BCE (BCE Inc.)
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