



2 Stocks to Buy and Hold for 50 Years

Description

Long-term investing is a sure-fire way for [beginners](#) to secure their financial futures. Also, there are stocks you can hold and not sell regardless of the economic environment. **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) and **BCE** ([TSX:BCE](#))([NYSE:BMO](#)) make it possible not only to build retirement wealth but also to avoid economic dislocation in times of uncertainties.

The pair of blue-chip stocks have been paying dividends for over 100 years. You can buy one or both today to hold for five decades or more. If the current inflation is a thorn to your financial position, the generous quarterly dividends can boost your regular income.

Financial stability

BMO is a rock-solid choice for income-oriented and risk-averse investors. Canada's oldest and fourth-largest lender has diverse businesses. Its capital markets and commercial business segments in particular contribute consistently to net income growth. More importantly, you can't go wrong investing in the TSX's dividend pioneer.

The \$84.37 billion bank started sharing a portion of its profits, through dividend payments, since 1829. If you invest today (\$125.63 per share), the dividend yield is 4.4%. Management raised its dividend by 25% in late 2021, and the yield will increase by 6% in Q3 fiscal 2023 (quarter ended July 31, 2022).

In the first two quarters of fiscal 2022 (six months ended April 30, 2022), revenue and net income increased 31% and 132%, respectively, versus the same period in fiscal 2021. Darryl White, BMO Financial Group's CEO, credits the broad-based customer loan growth and strength in market-sensitive businesses for the good financial performance.

Based on data from Authors Calculations, its non-interest income (4.45% CAGR in nine years) grew the fastest among the Big Five banks in Canada. For more passive investors, BMO boasts an impressive exchange-traded fund (ETF) distribution network courtesy of BMO Global Asset Management.

Further growth is on the horizon once BMO completes the transaction to acquire Bank of the West in the United States. The acquisition will cement its position in three of the top five growth markets across the border.

White said, "We will deliver a highly competitive offering to new growth markets, combining the strength of our digital banking platform and a strong team of bankers to generate leading customer growth."

Income generator

BCE has a market capitalization of \$57.8 billion and is the largest in Canada's telco industry. Like BMO, this 5G stock is a great source of uninterrupted, recurring income streams. The first dividend payment dates back to 1881. At the current share price of \$63.40, the dividend yield is a juicy 5.79%. Also, BCE's total return in 46.55 years is 75,272.57% (15.29% CAGR).

The 109.41% payout ratio is understandable, because of BCE's humongous capital expenditures for infrastructure or network upgrades and 5G technology rollout. Nonetheless, it averages more than \$23 billion and \$2.8 billion, respectively, in revenues and net income annually. The consolidated financial results in Q1 2022 already surpassed pre-COVID levels for the first time since the start of the pandemic.

Wellsprings

BMO and BCE are wellsprings or bountiful sources of passive income. While the share prices could drop, the dividend payments can overcompensate. Both stocks can also overcome market volatility and deliver higher returns in the long term.

CATEGORY

1. Investing
2. Stocks for Beginners

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