Have $1,000? 2 All-Weather Dividend Stocks to Buy and Hold Forever

Description

Buy-and-hold investors have certainly had a rough go this year. Indeed, while many top dividend stocks have outperformed their growth counterparts, 2022 has proved to be much less easygoing than years past.

That said, with this bear market comes newfound opportunities to get "forever" stocks at a discount. Many relatively high-yielding stocks have seen their dividend yields increase in this environment. For long-term income investors, that can prove to be lucrative over a meaningful period of time.

Two top TSX dividend stocks I've got my eye on right now are **Restaurant Brands** (TSX:QSR)(NYSE:QSR) and **Fortis** (TSX:FTS)(NYSE:FTS). Here's why I think these two companies are ones I think are of the buy-and-never-sell variety.

Top dividend stocks: Restaurant Brands

Restaurant Brands is a company many Canadians know for having taken over Tim Hortons last decade. However, this quick-service restaurant chain also boasts the Burger King, Popeyes Louisiana Kitchen, and Firehouse Subs banners. Combined, Restaurant Brands is one of the best fast-food conglomerates in the world in terms of quality.

Indeed, one of the key attributes I like about this stock is its defensiveness. In good markets or bad, folks need to eat. And in recessions, a burger or sub is a lot more enticing than an expensive steak. Accordingly, those looking for recession-resistant names may want to consider Restaurant Brands from this standpoint alone.

That said, QSR stock does also provide a meaningful dividend yield of 4.2%. Beyond beating the yield on bonds, with capital-appreciation upside, Restaurant Brands is a company that's proven its willingness to return capital to shareholders. With a relatively capital-light model, the company has been able to do so. Thus, I think over time, this distribution will continue to rise. That's a great thing for those looking for income growth over the long term.

Fortis

Fortis is another top dividend stock from a dividend-growth perspective. In fact, as far as Canadian companies go, Fortis’s nearly five-decade-long streak of dividend hikes is among the best.

Additionally, like Restaurant Brands, Fortis’s cash flows are extremely defensive. This company’s regulated gas and electricity utilities business provides as close to guaranteed cash flows as an investor can receive. Thus, this company’s yield of 3.5% and valuation multiple of approximately 24 times earnings are less attractive than other low-quality peers.

But it’s the quality investors are getting with Fortis. And the track record. Indeed, those things are hard to build, except over years and decades of performance. In this case, I think Fortis is worth the premium, relative to its peers.

A diversified portfolio holding Restaurant Brands and Fortis is one I think has the potential to outperform over the long term. It’s why I hold Restaurant Brands and plan to add Fortis on any weakness moving forward.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:QSR (Restaurant Brands International Inc.)

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Date
2025/07/21
Date Created
2022/07/18
Author
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