



4 Superb Income Stocks to Buy and Hold Forever

Description

There's no shortage of superb income stocks on the market to pick for any type of portfolio. For both seasoned and [new investors](#), finding that right mix can ultimately mean the difference between a comfortable retirement and working for several more years.

Here are several superb income stocks to line your portfolio with now and hold forever.

Banking on growth and income

It would be hard to assemble a list of superb income stocks and not mention at least one of Canada's big banks. **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is not only the oldest dividend-paying company in Canada but also a great income and growth pick.

On the growth side, BMO announced the acquisition of the Bank of the West late last year. The deal will provide BMO with massive long-term growth prospects from multiple new U.S. state markets, including California.

Turning to income, BMO offers investors over a century of dividend payments without fail. Today, that yield works out to an appetizing 4.44%. This means even a small investment of \$13,000 today will generate an income of nearly \$600. Reinvesting those dividends for decades until needed will see that income rise sharply, hence the buy-and-forget label on this stock.

Power your portfolio to new highs

Another great option for long-term income investors to consider is a utility. Utilities offer reliable and stable revenue streams that are backed by decades-long, regulated contracts. But which utility should investors turn to?

Earlier this year, **Canadian Utilities** ([TSX:CU](#)) became the first Canadian Dividend King on the market. This means that the company has provided investors with annual consecutive bumps to its dividend for

the past 50 years.

Given the 4.48% yield on that dividend, there's little reason not to invest in this income stock for decades.

Stay connected to your future income stream

Rounding out the top three superb income stocks that offer some defensive appeal, we have **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). BCE is another stock that has paid out dividends for well over a century without fail.

Prospective investors should note that BCE isn't a pure-play telecom. The company owns a massive media segment that includes dozens of TV and radio stations. Not only does this provide BCE with an alternative revenue stream, but the segment is complementary to the core subscription business.

That core subscription business is now more defensive than ever. The pandemic elevated the need for a fast and reliable home internet service to one of necessity for many. Throw in the ever-growing need for a fast (5G) mobile connection, and you have a defensive investment that is hard to beat.

Perhaps best of all is BCE's dividend. The current yield works out to a juicy 5.81%, making it one of the better-paying options on the market.

It's not about oil prices

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a unique option that should be on every investor's radar. The company may be best known for its utility and pipeline businesses, but Enbridge offers much more.

That huge pipeline business is responsible for transporting nearly one-third of North America's crude, but that's not even the best part. The use of the pipeline network is charged independently of commodity prices. This means that irrespective of which way oil prices go, Enbridge generates massive amounts of cash. It's not a coincidence that the segment is often compared to a toll-road network.

Enbridge is also amassing a huge renewable energy business. The company has invested billions over the past two decades to become a net generator of 2.1 GW of energy. That's enough to power nearly 962,000 homes.

Turning to income, Enbridge boasts one of the best dividends on the market. The dividend carries a yield of 6.21%, and Enbridge has provided consecutive annual hikes for over two decades.

What are your superb income stocks?

No stock is without risk, but the stocks mentioned above all boast some defensive appeal. This makes them great options for any well-diversified portfolio.

In my opinion, one or all of these stocks are great buys.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

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2. NYSE:BMO (Bank of Montreal)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BMO (Bank Of Montreal)
6. TSX:CU (Canadian Utilities Limited)
7. TSX:ENB (Enbridge Inc.)

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