TFSA Investors: 3 Stocks With Unbelievable Staying Power

Description

Are you thinking of adding new stocks to your TFSA? When investors look for new stocks to add to their portfolios, one of the first things they ask is, "How does this stock's chart look?" It's true that a stock's past performance is one thing that investors should consider when buying shares. However, it's not a direct indication of how a stock could do in the future.

One characteristic that investors should think more about is a company's staying power. Simply put, determine the company's ability to persist and remain successful in the future. Theoretically, if a company can remain a leader in its industry, then its earnings should continue to grow. Over time, its stock should follow and make investors happy.

In this article, I'll discuss three **TSX** stocks with unbelievable staying power.

These companies will be hard to displace

The Canadian banking industry is led by five companies that have been operating since before the Canadian confederation. If you think about that, it's a tremendous accomplishment and speaks volumes about these companies' staying power. It's important to realize that the Canadian banking industry is also very highly regulated. This makes it even more difficult for smaller companies to displace the Big Five and become industry leaders.

If I had to pick one bank stock to hold in a portfolio, it would be **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS). Although I believe all five banks could be good positions to consider, I'm attracted to Bank of Nova Scotia's commitment to international growth. In 2021, nearly a third of its earnings came from its international business segment. In Q2 2022, Bank of Nova Scotia reported a 50% year-over-year increase in net income from its international banking business.

This company is also a tremendous dividend stock, which could serve as a cherry on top for investors. It has paid a dividend in each of the past 189 years.

An industry led by a duopoly

The Canadian railway industry is also led by companies with outstanding staying power. **Canadian National Railway** (TSX:CNR)(NYSE:CNI) has been in operation for more than 100 years. Over that time, it has managed to grow its rail network to span nearly 33,000 km. Canadian National runs track from British Columbia to Nova Scotia and as far south as Louisiana. Because of its wide reach, Canadian National may be one of the most recognizable Canadian companies.

The biggest draw towards this company may be its dividend. Listed as a Canadian Dividend Aristocrat, Canadian National has managed to increase its distribution in each of the past 25 years. That makes it one of only 11 TSX-listed companies to currently surpass that milestone. Over the past five years, Canadian National has raised its dividend at a compound annual growth rate of more than 12%. That helps its shareholders stay ahead of inflation.

I don't think a small competitor can become an industry leader

Finally, Canadians should invest in one of the big telecom companies. As much as we may dislike how expensive their plans are, these companies are able to command such high prices because of how dominant they are. It's very expensive for companies to set up their own phone towers, and three companies own nearly all of the towers you see in Canada.

Telus (TSX:T)(NYSE:TU) operates the largest telecom network in Canada. Its coverage area accounts for 99% of the Canadian population. While that may be impressive, it's Telus's healthcare business that attracts me even more. This company has expanded into the telehealth industry in recent years, offering it MyCare app. With all of the capital this company has, I believe it can be a solid competitor in that emerging industry, while remaining a top competitor in the Canadian telecom space.

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