



3 Blue-Chip Stocks to Buy Today and Never Let Go

Description

Stocks are risky assets, but somehow you need start investing in them to meet your long-term financial goals. There are 11 primary sectors to choose from on the TSX. However, for starters, limit your choices to [blue-chip stocks](#) and form the backbone of your portfolio.

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)), **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)), and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) are among the high-quality Canadian stocks. The three dividend-paying companies are industry leaders, well established, and financially sound.

Mitigate the risks

The stock market has been shaky in 2022 due to several factors, such as geopolitical tensions, supply chain disruptions, and rising inflation. Long-term investors, even beginners, should have no fear of the market volatility if investments are in enduring businesses or drivers of the economy.

CNR is Canada's largest rail operator, while BAM is a cash-rich global asset management conglomerate. BCE is a hands-down choice, because it generates billions of dollars in revenue from vital telecommunications products and services. You can buy the stocks today and never sell.

Smooth ride ahead

CNR expect clear tracks and a smooth year following record revenue and better-than-expected profits in the second quarter (Q2) of 2022. In the quarter ended June 30, 2022, total revenues, operating income, and net income rose 20.7%, 28%, and 27.9%, respectively, versus Q2 2021. Notably, free cash flow (FCF) in the first half of 2022 increased 22.5% year over year to \$1.56 billion.

According to management, the significant increase in revenue was largely due to higher applicable fuel surcharge rates, freight rate increases, and higher Canadian export volumes. The \$110.86 billion company forecasts between 15% and 20% adjusted diluted earnings-per-share (EPS) growth in 2022. It also targets FCF of \$3.7 billion to \$4 billion.

The industrial stock trades at \$162.23 per share and pays a 1.81% dividend. While the yield is modest, the payouts should be safe and sound.

Vast global coverage

BAM, through flagship companies in various sectors, invests in long-life, high-quality assets and businesses globally. Currently, the multitude of subsidiaries are present in over 30 countries in five continents. Besides private equities in businesses with high barriers to entry, BAM invests in infrastructure, renewable power & transition, and real estate. Other services include credit and insurance solutions.

In the present inflationary and tight commodity environments, management sees the need for further investments in transport infrastructure to ensure supply chain resiliency. Performance-wise, BAM's total return in 10 years is 409.24% (17.08% compound annual growth rate [CAGR]). At \$63.54 per share, the \$104.31 billion asset management firm pays a 1.14% dividend.

Critical telecommunications services

BCE requires minimal or zero evaluation if you know the importance of its products and services to people and businesses. The dominance of this \$58.67 billion telecommunications and media company is also due to near monopoly in the telco space.

Apart from BCE's dividend track record of more than 100 years, the dividend yield is a mouth-watering 5.69%. Currently, the telco stock (\$64.70 per share) outperforms the broader market year to date at +1.02% versus -7.21%. The 76,818.07% total return (15.33% CAGR) is proof that BCE is an investment for the long haul.

Must-own stocks

CNR, BAM, and BCE are Canada's economic growth drivers and backbones of investors' stock portfolio. Owning them won't wreck your long-term financial plans.

CATEGORY

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2. Stocks for Beginners

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2. NYSE:BN (Brookfield Corporation)

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4. TSX:BCE (BCE Inc.)
5. TSX:BN (Brookfield)
6. TSX:CNR (Canadian National Railway Company)

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