



2 U.S. Stocks Canadians Can Buy and Hold Forever

Description

The United States is the world's largest economy and provides [investors with an opportunity](#) to diversify their equity holdings. Due to improving corporate earnings, international expansion of companies, and rising GDP rates, the **S&P 500** has delivered annual returns of 10% over the last five decades.

While experts believe there is a 30% chance that the U.S. economy will slide into a recession in 2023, the long-term investment prospects in the country remain robust. So, I have shortlisted two U.S. stocks including **NextEra Energy** ([NYSE:NEE](#)) and **American Tower** ([NYSE:AMT](#)) that Canadian investors can buy and hold forever.

A renewable energy giant

NextEra Energy is the largest regulated electric utility company in the U.S. It owns Florida Power & Light Company and is also the largest generator of wind and solar energy globally.

NextEra is well-poised to grow its revenue in the upcoming decade due to Florida's rising population and the secular shift towards clean energy solutions.

NextEra is also the global leader in battery storage, and the business stands to gain massive traction as the transition towards electric vehicles picks up speed. The company continues to diversify its revenue base and recently entered the regulated water and wastewater utility industry south of the border.

Due to its stable business that generates predictable cash flows, NextEra has managed to raise dividends for 28 consecutive years. It expects to increase dividend payouts by 10% each year through 2024 and currently offers investors a yield of almost 2%.

NextEra stock has delivered market-thumping returns to investors in the last decade. Since August 2012, NEE's stock price has surged 423%. After adjusting for dividends, total returns are closer to 586%. Comparatively, the S&P 500 Index has returned 253.5% to investors in dividend-adjusted gains

during this period.

NextEra aims to expand the installed capacity of its solar and wind business to between 46 gigawatts and 53 gigawatts in 2025, up from 24 gigawatts in 2021. The expansion of its cash-generating assets should drive cash flows and dividends higher in the future.

A REIT heavyweight

American Tower is the world's largest communications real estate investment trust ([REIT](#)). It has over 220,000 cell towers and around 25 data centers, providing the required infrastructure for smartphone use.

The company's infrastructure is leased out to telecom operators with lease terms of five to 10 years. Further, these leases are increased by 3% annually in the U.S. and are indexed to inflation in other international markets.

In the last 10 years, mobile data consumption has risen exponentially, and smartphones are now an integral part of our daily lives. American Tower remains a top bet for investors as smartphone data usage is forecast to grow by double-digit percentages annually through 2027 in multiple markets, including the U.S., Brazil, France, and Germany.

This REIT offers investors a dividend yield of 2.1%, and with a payout ratio of less than 30%, it has enough room to increase these payouts further.

American Tower is expanding its portfolio of assets, and it acquired 118 new communications sites in Q2 for \$90 million. AMT stock is currently trading at a discount of 12% compared to consensus price target estimates, making it a good time to get in on this REIT.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AMT (American Tower Corporation)
2. NYSE:NEE (NextEra Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
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