3 Buy and Hold Dividend Stocks With Enormous Long-Term Potential

Description

New investors seeking out long-term holds may not know where to start. They want in on the market before it rebounds, but don't want to buy a stock that's going to suddenly drop. That's especially true for dividend stocks.

If companies that offer dividend stocks cannot continue to grow revenue and instead, start to fall in the future, then they'll have to cut dividends to make up the losses. We've seen this in the oil and gas industry already, and even though the sector is rebounding, it won't be up forever considering the growing prominence of renewable energy that will power our future.

That's why today, I'm going to look at three dividend stocks with enormous long-term potential.

Magna

Let's start with that renewable energy future. **Magna International** (TSX:MG)(NYSE:MGA) doesn't provide renewable energy, but is a car parts manufacturer, and is therefore related to the shift towards electric vehicles.

This has been the largest shift we've seen in the past few decades towards a clean energy environment. Magna stock is currently down, however, from supply-chain disruptions and increasing demand. But long-term, it has partnerships with enormous car manufacturers including BMW and Jaguar Land Rover who will work with Magna on new platforms for their forthcoming electric vehicles. Magna also partnered with **LG Electronics** to provide the electric components that will be necessary for these clean vehicles. So it's a solid choice for long-term holders.

Plus, it's one of the dividend stocks trading at a huge discount right now. Magna stock offers a decent 3.11% dividend yield, trades at 24 times earnings, with shares down 27% year-to-date.

Nutrien

Nutrien (TSX:NTR)(NYSE:NTR) is another solid choice among long-term dividend stocks. True, this stock looks pretty volatile right now. The crop nutrient company had soared due to sanctions against Russia that drove demand for potash nutrients. Then it fell during the market drop.

Now, Nutrien stock is up 28% year-to-date, but down 8% in the last few weeks after the market rebounded then fell again. So if you're buying up this stock, know that it's for the long-term. After all, the company continues to merge the fractured crop-nutrient industry, and with less and less arable land available, it will continue to be in demand.

Today, Nutrien stock is one of the dividend stocks still trading at a discount. Even with shares up this year, it trades at 7.47 times earnings with a yield of 2.05%.

Power Corporation

The Canadian population is aging, that's a given. Baby boomers make up a large portion of this population, and currently account for 24.9% of the overall population in this country. And that means insurance for this group is going to be a gold mine in the coming years. That's why I encourage you to consider **Power Corporation of Canada** (TSX:POW).

Now, it's one of the dividend stocks that isn't providing the best earnings right now. Profit fell by 47% year-over-year to $527 million during its latest earnings report. But it's still a heavy hitter, holding a 66.6% interest in **Great-West Lifeco** and a 62.2% interest in **IGM Financial**. So don't count it out any time soon.

Today, you can lock in a juicy 5.88% dividend yield while it trades at a valuable 9.7 times earnings and is down 18% year-to-date.

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2. NYSE:NTR (Nutrien)
3. TSX:MG (Magna International Inc.)
4. TSX:NTR (Nutrien)
5. TSX:POW (Power Corporation of Canada)

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alegatewolfe