3 TSX Stocks to Buy Today and Hold Forever

Description

Stock investing is never without risks, but it doesn't mean you must pull out of the market whenever there's turmoil. Your investment choice can be riskier but also more rewarding in a challenging environment like 2022. You can stay invested, as long as you park your money in companies that can endure economic storms.

Enbridge (TSX:ENB)(NYSE:ENB), **ATCO Limited** (TSX:ACO.X), and the **Bank of Montreal** (TSX:BMO)(NYSE:BMO) are dividend stocks you can buy today and hold forever. Given their dividend track records, you get a measure of certainty regardless of market headwinds.

Energy

This year, energy is the powerhouse sector again following its strong comeback in 2021. The sector is overwhelmingly beating the broader market year to date, +62.3% versus -8%. At $53.03 per share, Enbridge investors are up 12.4% year to date and enjoy a 6.49% dividend.

The top-tier energy stock is a dividend aristocrat owing to 26 consecutive years of dividend increases. Investing $10,606 (200 shares) in Enbridge will produce $172.08 in passive income every quarter. If you're building retirement wealth, keep reinvesting the dividends for faster compounding of your capital.

This $107.3 billion company operates vital, legacy infrastructure assets such as liquids pipelines, gas transmission, gas distribution, and renewable power. Enbridge can sustain its dividend growth streak because of the utility-like business model. Its take-or-pay contracts with credit-rated clients ensure stable cash flows regardless of the environment.

Utility

ATCO is a quality stock for its defensive qualities. The $4.8 billion diversified global enterprise invests in utility, structures and logistics, energy infrastructure, retail energy, and transportation assets. The sustainable growth of these essential assets enabled the company to increase its dividends every year for the last 28 years.

If you invest today, ATCO trades at $41.89 per share (+1.21% year to date) and pays an attractive 4.38% dividend. Market analysts covering the utility stock have a 12-month average high price target of $49.14 (+17.3%) and $53 (+26.5%). You'd have a bond proxy and a portfolio stabilizer.

In Q3 2022, management reported adjusted earnings of $87 million, representing a 26% increase compared to Q3 2021. Notably, cash flows from operating activities climbed 20.7% to $420 million compared to the same quarter last year. On a year-to-date basis (nine months ended September 30, 2022), adjusted earnings rose 16.8% year over year to $313 million.

Big Bank

BMO is a no-brainer buy because it's the TSX's dividend pioneer, no less. The $84.7 billion bank and Canada's fourth-largest financial institution has been paying dividends since 1829. Its dividend track record is only seven years shy of two centuries, or 200 years.

The Big Bank trades at $125.27 per share and pays a 4.44% dividend. Given the low payout ratio of 30.64%, BMO can well afford the dividend payouts. The 4.2% year-to-date loss is just a paper loss, as the stock will eventually recover as it did in past market downturns. Growth is likewise on the horizon for BMO as it awaits regulatory approvals to take over the Bank of the West in the US.

Stay invested

You can't go wrong with Canadian dividend aristocrats like Enbridge, ATCO, or TSX's dividend pioneer BMO. Investors can stay invested in these stocks come hell or high water.

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