2 Canadian Stocks to Buy and Hold Until You Retire

Description

When planning to grow your money for your retirement, you should always be cautious and invest a large portion of your hard-earned savings in some low-volatility, safe stocks. Canadian stocks that have long histories of consistently rewarding their investors with quality dividends could be right for your retirement portfolio. If you haven't already started your retirement planning, here are two evergreen dividend stocks in Canada that you can consider buying now to multiply your money by the time you retire.

A top Canadian energy stock for retirement planning

If you don't know it already, the energy sector makes up a large portion (currently nearly 19.2%) of the main index on the Toronto Stock Exchange. While not all energy stocks can't be termed defensive stocks, you can bet on some large-cap dividend stocks like **Enbridge** (TSX:ENB) to see your money grow safely by retirement.

This Calgary-based energy transportation and infrastructure giant has a market cap of $108.5 billion at the time of writing, as its stock trades at $53.39 per share with about 8.5% year-to-date gains. At this market price, this Canadian dividend stock offers a strong annual yield of 6.6%.

To give you an idea about its recent financial growth trends, Enbridge's adjusted earnings grew by 21% in five years between 2016 and 2021. During the same period, its total revenue increased by 36%.

The energy company has a 16-year history of consistently achieving its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) guidance. Moreover, Enbridge has been raising its annual dividend for 27 consecutive years, reflecting its focus on delivering strong returns to its shareholders.

And a top Canadian bank stock for your retirement portfolio

If you don't want to risk the money you've saved for retirement, you should ideally consider diversifying your stock portfolio. Keeping this role of diversification in mind, my next Canadian dividend stock pick for your retirement portfolios is the **Bank of Nova Scotia** (TSX:BNS).

This fundamentally strong banking stock has seen 23.1% value erosion in 2022 so far to trade at $68.66 per share and has a market cap of $81.8 billion. At this market price, it has a 6% annual dividend yield.

Besides the broader market selloff, the recent decline in Scotiabank's share prices could be attributed to the poor performance of its global wealth management and capital markets segments. Notably, challenging market conditions and declines in assets under management have led to a drop in its fee income lately, affecting its financial growth trends. On the positive side, rapidly rising interest rates have driven its net interest income higher in recent quarters.

Despite facing temporary macroeconomic uncertainties, including inflationary pressures, Scotiabank's long-term growth outlook looks strong, as it remains focused on modernizing its business with investment in advanced technology. While these investments in tech are likely to increase its costs in the short term, they might pay off well in the long run by helping it provide better services to its customers even more efficiently. Given that, you could expect BNS stock to soar in the long term, making it a great Canadian dividend stock to buy on the dip and hold till retirement.

CATEGORY

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