



3 Stocks Beginners Can Buy in 2023 and Hold for Decades

Description

Many new investors believe buying and selling stocks is like gambling at a casino. You buy and sell a stock based on its price action and hope to buy low and sell high. Unfortunately, this type of speculating can be very challenging to succeed at.

The stock market is volatile. In the near term, price swings can appear irrational and without cause. That can easily catch speculators off guard. It can be a quick way to lose your capital.

Be an investor, not a speculator

Investors look at stocks as a stake in a business. You buy a piece of a business to own a stake in its profits. A stock tends to follow its profits in the long term. If it has great products and services, earns growing streams of cash flows/ profits, and has the balance sheet to support its growth, why buy and sell?

In fact, some of the most acclaimed investors in the world (like [Warren Buffett](#)) take a long-term, buy-and-hold approach to investing. As Warren Buffett once said, “If you aren’t willing to own a stock for 10 years, don’t even think about owning it for 10 minutes.” If a simple buy-and-hold approach resonates with you, here are three top [Canadian stocks](#) to buy in 2023 and potentially hold for decades.

A top passive-income stock

If you want to grow wealth by earning passive income, **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#)) is a great stock to hold. Over the past decade, it has delivered a 297% total return (or 14.8% annualized).

Nearly 114% of that total return came from its growing stream of dividends. It has increased its dividend by a 9.5% compound annual growth rate (CAGR) for a decade. While that may slow, it still has substantial opportunities to grow.

Brookfield operates consistent cash-yielding businesses in the transportation, utility, midstream, and data sectors. These are very defensive businesses, and Brookfield has a knack for maximizing total value from its assets. Global growth demands more infrastructure, and that tailwind should back decades of growth ahead.

A top retail stock

If you want a quality stock at a fair valuation, **Alimentation Couche-Tard** ([TSX:ATD](#)) is a great stock to hold for years. It operates 14,000 gas stations and convenience stores across North America and Europe. In terms of brand names, its Circle K, Ingo, and Couche-Tard franchises are very recognizable.

Convenience stores are not exactly exciting businesses. However, Couche-Tard has been effective at making acquisitions and smart internal investments that propel sales and earnings per share growth. It consistently earns [high returns on capital](#).

This stock has delivered a stellar 675% total return over the past 10 years. Yet it trades for a modest 16 times earnings. The company has consistently been buying back stock, which has been creating a lot of value for patient shareholders.

A top Canadian consulting firm

WSP Global ([TSX:WSP](#)) has been a strong performer over the past several years. It has earned a 493% return since 2014. WSP has become an engineering, design, and consulting giant in that time. It has grown by acquiring over 100 [firms](#) around the world.

Given demand for infrastructure around the world, WSP's backlog consistently grows. It has no construction risk, so that is something investors don't have to worry about. The company is focusing on streamlining operations, and it expects its margins and organic growth profile to continue to grow over the next few years.

WSP is not the cheapest stock, but it is a leader in its sector. For a high-quality business you can buy, hold, and tuck away for years, WSP fits the bill nicely.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:WSP (WSP Global)

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