2 TSX Dividend Stocks to Buy and Hold Forever

Description

The **S&P/TSX Composite Index** rose a paltry 14 points to close out the previous week on Friday, February 10. Canadian stocks have broadly had a strong start to the new year. However, investors should still be cautious, as high interest rates have put pressure on key economic sectors. Today, I want to look at two TSX dividend stocks that you can trust for decades to come. These are the kind of equities that allow you to breathe easy in any economic situation. Let's jump in.

default watermark

Why this top TSX dividend stock is worth holding for the long haul

Royal Bank (TSX:RY) is the largest of the Big Six Canadian bank stocks. Indeed, it is the largest stock on the TSX Index by market capitalization. This bank is also one of the most influential financial institutions on the planet. Suffice it to say, Royal Bank is here to stay. That makes it a TSX dividend stock you can trust for many years to come.

Interest rate hikes spooked many investors when this tightening cycle began. Indeed, Royal Bank and its peers have faced the prospect of limited credit growth going forward. However, banks will see a huge boost to their profit margins in this environment.

Canada's largest bank is set to release its first-quarter fiscal 2023 earnings on March 1, 2023. In fiscal 2022, Royal Bank reported net income of $15.8 billion — down 2% from fiscal 2021. Meanwhile, diluted earnings per share (EPS) was flat in the year-over-year period at $11.06. On the business front, the bank delivered earnings growth of 7% in the Personal and Commercial Banking segment. That growth was powered by improved net interest income. Moreover, Royal Bank posted 20% net earnings growth in Wealth Management. This was also credited to higher net interest income.

Shares of this TSX dividend stock have dropped 4.3% year over year as of close on February 10. However, its shares have jumped 8.3% so far in 2023. Meanwhile, it offers a quarterly dividend of $1.32. That represents a 3.8% yield. You can trust Royal Bank for years to come.

Here's another TSX dividend stock that you can trust forever

Metro (TSX:MRU) is the second TSX dividend stock I'd look to target for the long term. This Montreal-based company operates as a retailer, franchisor, distributor, and manufacturer in the food and pharmaceutical sectors in Canada. Its shares have climbed 5% from the prior year. However, the stock has dipped 6.1% so far in 2023.

Grocery retailers like Metro proved extremely resilient in the face of COVID-19 pandemic. Moreover, these entities have also thrived, as inflation soared in 2022. Investors who crave longevity should look to target companies that offer essential services. Metro ticks that box in the grocery and pharmaceutical space.

This company unveiled its first-quarter fiscal 2023 results on January 24. Metro delivered sales growth of 8.2% year over year to $4.67 billion. Meanwhile, adjusted net earnings climbed 10% year over year to $237 million. Adjusted diluted net earnings per share (EPS) jumped 13% to $1.00.

Shares of this TSX dividend stock currently possess a favourable price-to-earnings ratio of 19. Metro offers a quarterly dividend of $0.302 per share, which represents a modest 1.7% yield.

default watermark

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:MRU (Metro Inc.)
2. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. aocallaghan
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/07/19
Date Created
2023/02/13
Author
aocallaghan

default watermark

default watermark