Note to Your Future Self: These 3 TSX Stocks Could be a Big Deal in 2030

Description

Are you looking for TSX stocks that have a lot of potential over the next decade? If so, it pays to look into dividend stocks. Canada has never been known for big tech and growth names, but it is home to a collection of banks, utilities, and energy companies that have performed very well. This year, investors have an opportunity to buy Canadian dividend stocks at cheaper prices than were available in the past. In this article, I'll explore three Canadian dividend stocks that could do well in the decade ahead.

CN Railway

The **Canadian National Railway** (TSX:CNR) is a Canadian railroad company that has a very long track record of delivering solid results. In its most recent quarter, it delivered $4.5 billion in revenue, up 21%, and $2.10 in earnings per share. A pretty strong showing. And, if you pull back and look at the long term, you see a similar trend, with earnings and revenue going up over 5 and 10-year periods. CN Railway is highly profitable, with a sky-high 29% net income margin.

How does it earn such a high margin? It's pretty simple: not much competition. The fewer competitors a company has, the higher the prices it can charge. CN Railway only has one competitor in Canada, and a small handful in the United States. Because of its small number of competitors, CN is able to ship $250 billion worth of goods across 33,000 kilometres of track each year. As you might imagine, that translates into a lot of revenue, and thanks to CN's cost discipline, it generates some earnings as well.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD) is a Canadian retail company best known for its *Circle K* gas station chain. It also operates the Couche-Tard chain in Quebec, and various retail chains in the U.S. and Europe. ATD is an exciting company for many different reasons. First, it makes money off gas sales, and the oil/gas industry has been strong in the last few years. Second, it is constantly expanding, yet not borrowing excessively to do so, preferring to grow by organically increasing the size of its business. ATD prefers to re-invest earnings to grow, instead of borrowing large piles of money.

The result of this strategy has been strong yet sound growth.

TD Bank

The **Toronto-Dominion Bank** (TSX:TD) is a stock I just can't get enough of. It's Canada's biggest bank by assets, the second biggest by market cap, and one of the biggest in terms of U.S. presence. TD has a large U.S. retail business that is the ninth largest of its kind in the United States. And, that business could continue to grow. Right now, TD is in the process of buying out **First Horizon**, a U.S. retail bank, and **Cowen**, a U.S. investment bank. Currently, the First Horizon deal is facing some delays, but the Cowen deal appears ready to go full steam ahead. If both deals close, they will add about $1 billion a year to TD's bottom line. If they don't close, TD will still be a financially sound bank. A classic 'win-win situation.'

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:TD (The Toronto-Dominion Bank)

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. andrewbutton
2. cleona

Category

1. Dividend Stocks
2. Investing

Date
2025/07/25
Date Created
2023/02/16

Author
andrewbutton