



2 of the Best Canadian Stocks to Buy and Hold Forever

Description

The Canadian stock market seems to be hitting a new all-time high every other week this year. Since the beginning of 2021, the **S&P/TSX Composite Index** is up just about 15%. But as Canadian stocks continue to rise, investors are beginning to question if they should be saving their cash for an upcoming pullback.

As a long-term investor, I'm not overly concerned with the market's performance over the next six months. Whether the market continues to roll or tank 30% in the next month, my strategy won't change. My focus remains on buying [top Canadian stocks](#) and holding for the long term.

When I'm looking for potential stocks to buy, I'm typically evaluating companies on their growth potential and/or market position.

If growth is what you're after, I'd be focused on finding companies with an acceleration in year-over-year revenue growth. If you're instead searching for a dependable stock that you can count on regardless of the economic condition, and perhaps earn a quarterly [dividend](#), I'd be on the lookout for an established market leader.

Here are two top Canadian stocks that any long-term investor could feel confident about buying today.

Lightspeed POS

Shares aren't cheap, but that doesn't take anything away from this Canadian stock's long-term growth potential.

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) is trading today at a frothy price-to-sales ratio of 50. Shares are also up 350% since it joined the **TSX** in March 2019. It's been a bumpy ride, but patient investors have been well rewarded.

The Montreal-headquartered company made a name for itself as a point-of-sale hardware provider to brick-and-mortar retailers. It still remains a top player in that space, but now offers its customers a wide range of products.

In addition to growing its product offering, the [tech company](#) has done lots of work on expanding its geographic footprint. In the company's most recent quarterly report, it reported serving over 140,000 customer locations spread across more than 100 countries.

One of the metrics that has me most excited as a Lightspeed shareholder is revenue growth. The company saw year-over-year quarterly revenue growth accelerate through each quarter in its 2021 fiscal year. From 51% in Q1, to 62% in Q2, to 79% in Q3, and then ending the year in record-fashion with revenue growth of 127%.

At the Canadian stock's current valuation, volatility in the short term can almost certainly be expected. But if you have the patience and time to hold through inevitable pullbacks, this is one growth stock you'll want in your portfolio over the next decade.

Toronto-Dominion Bank

Even [growth investors](#) will want to own a few slower-growing dependable Canadian stocks in their portfolios. Dividend Aristocrats like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) might not be the most exciting stocks to own, but you'll be glad to own them during market downturns.

At a market cap of \$160 billion, TD is Canada's second-largest bank, behind only **RBC**. The company has operations in both Canada and the U.S., which is one of the reasons I've got the bank on my watch list.

It's not uncommon for a Canadian bank to have an international presence. The reason why I've got my eye on TD is because about one-third of the bank's net income is driven by its U.S. operations, which have plenty of growth planned for the coming years.

The bank's growing U.S. presence provides Canadians with exposure to the U.S. economy, which could help diversify a portfolio that's over-indexed with Canadian stocks.

The banks also own some of the top dividend yields on the TSX today and TD is no exception. The bank's annual dividend of \$3.16 per share earns investors a respectable yield of 3.6%.

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1. Bank Stocks
2. Investing
3. Tech Stocks

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1. Bank stocks
2. canadian banks
3. canadian investing

4. canadian stocks
5. dividend aristocrat
6. dividend stocks
7. Editor's Choice
8. growth
9. growth investing
10. growth stock
11. lightspeed
12. Lightspeed POS
13. lightspeed stock
14. LSPD
15. LSPD stock
16. TD Bank
17. TD Bank Stock
18. tech
19. technology
20. toronto dominion
21. toronto dominion bank
22. tsx stocks

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:LSPD (Lightspeed Commerce)
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