The First 3 Stocks I Would Buy With $25,000

Description

Everyone's financial situation is different. Some people require income, others are looking for long-term growth, and still others may just be looking for safety over the short term.

On that note, the stocks below are best suited for the second group of investors, so if that does not describe you, then you may want to avoid some of these names. But at the same time, all of them are very profitable, are well positioned for growth, and have solid balance sheets. That should appeal to a lot of people.

1. Bank of Nova Scotia

Of the big five Canadian banks, **Bank of Nova Scotia** (TSX: BNS)(NYSE: BNS) may have the best growth path ahead of it. After all, about half of its net income comes outside of Canada's borders, most of which comes from emerging markets like Mexico, Colombia, Peru, and Chile. These four countries are all great for a bank to be in — they have healthy economies with plenty of growth, as well as underbanked populations.

Despite these positives, it trades at only 13.6 times earnings, and as a result sports a 3.5% dividend yield. So even though its shares are up 25% over the past 12 months, there's still plenty of room left to run.

2. Canadian Natural Resources

Few energy companies have a track record like that of **Canadian Natural Resources** (TSX: CNQ)(NYSE: CNQ). The company has built a fantastic reputation for spending money very wisely, and is also well known for its frugality. As a result, the company emerged seemingly from nowhere 15 years ago, and now has a higher reserve base than any other energy company in Canada.

As could be expected, shareholders have done very well along the way. Over the past 15 years, the shares have returned nearly 19% per year. Amazingly, the company still trades at only a slight premium to its existing reserves, with very conservative assumptions — a bargain for a company with such a strong track record.

3. Manulife Financial

Among Canada's financial services companies, **Manulife Financial** (TSX: MFC)(NYSE: MFC) suffered the most during the financial crisis. So what makes it such a great opportunity today?

First of all, Manulife has recovered and is firing on all cylinders. Secondly, the company's traumatic experience during the crisis has led to a safety-first approach — as a result, Manulife is better capitalized than its large peers.

Finally, Manulife trades at a discount to its peers, at only 12.5 times earnings. If the company can sustain its current momentum, then its current share price should seem like an absolute bargain.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:MFC (Manulife Financial Corporation)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:MFC (Manulife Financial Corporation)

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Date
2025/07/25
Date Created
2014/07/25
Author
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