

3 Stocks I'd Buy With \$10,000

Description

If you were given \$10,000 today, what would you do with it?

For many Canadians living paycheck to paycheck, such a windfall could put out some financial fires. For others, that \$10,000 might be squandered on vacations, electronics, or shopping sprees.

However, for those of us with a handle on our expenses, the best thing you can do right now is to put that \$10,000 to work for you. That's doubly true if you haven't started saving yet or are behind on your retirement planning.

So to help you get started on your investment journey, I have listed three stock to buy with your first \$10,000. These aren't some fly-by-night penny stocks, either. They're rock-solid businesses that pay dependable dividends. All three are potential core holdings that can serve as a foundation for any portfolio.

1. Potash Corp./Saskatchewan Inc.

If there's one business principle you can always count on, it might be this: everybody has to eat.

However, we're hitting the limits of our ability to feed a hungry planet. Top soil is eroding. Water tables are nearly depleted. Population growth is only compounding these problems. To grow more food on less land, farmers will need to use ever greater quantities of fertilizer.

Potash Corp./Saskatchewan Inc. (TSX: POT)(NYSE: POT), the world's largest producer of potash fertilizer, stands to profit the most from this trend. That means investors can count on an ever growing stream of dividends in the decades ahead.

2. Pembina Pipeline Corp.

This company is one of the market's best kept secrets. The stock trades hands less than 500,000 times per day (just a tiny fraction of some of the more well-known names). But if you own shares of this business, you own a piece of some of the most valuable energy assets in the world.

Pembina Pipeline Corp. ([TSX: PPL](#)) is vital to your daily life, but I doubt you even know this company exists. It owns pipelines, terminals, and storage facilities throughout Western Canada. This infrastructure stores and ships the oil and gas needed to power our modern society.

Pembina earns a fee in return for storing and shipping these products, which it passes on to investors. Since going public in 1997, the company has paid 190 consecutive monthly dividend payments, and today the stock yields 3.5%. You can count on that payout to increase in the years ahead given the growing output from the Alberta oil sands.

3. RioCan Real Estate Investment Trust

RioCan Real Estate Investment Trust ([TSX: REI.UN](#)) gives you all the perks of becoming a landlord, but without any of the headaches. The firm's business empire spans 331 rental properties throughout Canada and the United States. Altogether, the portfolio consists of 79 million square feet of real estate, of which 97% is currently occupied.

However, RioCan isn't your typical landlord. The trust specializes in commercial and retail tenants such as **Wal-Mart Stores Inc.**, **Canadian Tire Corporation Limited**, and **Staples, Inc.**. Needless to say, these types of tenants have far more 'rent money' than your typical household and always pay their bills on time.

This is how RioCan has been able to pay such consistent, oversized distributions to its investors. Since 1994, the trust has never missed or lowered its payout. Today, RioCan pays a monthly distribution of 11.75 cents per unit, which comes out to an annualized yield of 5.5%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:PPL (Pembina Pipeline Corporation)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

Category

1. Investing

Date

2025/07/05

Date Created

2014/09/25

Author

rbailleul

default watermark