



Beginner Investors: 3 Stocks to Start Your Portfolio

Description

If you have accumulated some money and are looking to invest it in the stock market by yourself, you may feel overwhelmed by the stock universe and have difficulty choosing stocks to buy.

You have to keep in mind that one investment may be a good choice for some people, but not to others. You have to do your own research and decide if an investment is suitable for you, depending on your risk tolerance and investment goals. However, since there are many stocks available, it may be difficult for a beginner investor to know where to start.

With little money to invest, it's best to invest first in large-cap stocks that have a solid history, since they are subject to less volatility, and you will have less risk to lose money. Stocks in a defensive sector are a good choice, since they will perform well, even during an economic downturn. You will find below three stocks that could be great choices for beginner investors.

National Bank of Canada

The financial sector, particularly the bank sector, is a good place to start a portfolio, since banks' share prices rise consistently over the long term and won't fall that much during downturns. A great choice in the bank sector is **National Bank of Canada** ([TSX:NA](#)).

National Bank's share price has a forward P/E of only 10.2. The bank's earnings are expected to grow by 10% for the next five years, which is high for a bank.

National Bank reported a very strong third quarter. Its revenue jumped by 8% from last year to \$1.68 million. Its profit also jumped by 8% to \$518 million. Adjusted earnings came at \$1.39 per share, above the \$1.32-per-share consensus estimates.

National Bank's return on equity is 16.34%. It pays a quarterly dividend of \$0.58 per share, giving a yield of 4%.

Metro, Inc.

Investing in a grocery store helps you have some protection against market downturns. Indeed, people need to eat regardless of the economic cycle, and grocers' shares are stable and rise over time.

Metro, Inc. ([TSX:MRU](#)) shares are an interesting choice. They are currently trading at a P/E of 16. In contrast, the industry average is 21.4.

Metro reported its third-quarter results in August, which food deflation dampened. Its net earnings rose by 8% to \$183 million, or \$0.78 per share, up from \$176.5 million, or \$0.72 per share, a year ago. That missed average analyst estimates of \$0.79. Deflation should turn into inflation in the next months, which will help Metro perform better.

Increased competition and upcoming minimum wage increase put pressure on Metro, but the grocer is going to fight by developing its e-commerce offer. This includes extending online shopping to customers throughout Quebec and selling meal kits.

Metro's return on equity is 21.45. Its earnings are expected to grow at a rate of 9% for the next five years.

Boralex Inc.

If you are looking for growth and are somewhat concerned about the environment, you can look at the clean technology sector.

Boralex Inc. ([TSX:BLX](#)) is a good choice in that sector. This power producer develops, constructs and operates renewable energy power stations. The company's segments include wind, hydroelectric, thermal, and solar. Boralex is present in Canada, in the United States, and in France. The company's geographic and sector diversification helps lower the risk.

The shares P/E one-year forward is 42.6, and its PEG is 0.63. The P/E seems high, but since the PEG is below one, it means the stock is cheap for the growth you get from it. Indeed, earnings are expected to grow at an impressive rate of 99% for the next five years.

You also get an interesting dividend yield of 2.7%.

Boralex has reduced its attributable net loss to \$2 million in the second quarter of 2017 from \$7 million a year earlier, as its top line improved significantly.

The Canadian renewables developer's revenue from energy sales has jumped by 41% over one year, thereby also increasing its adjusted EBITDA by 52%.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:BLX (Boralex Inc.)
2. TSX:MRU (Metro Inc.)
3. TSX:NA (National Bank of Canada)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

Tags

1. Editor's Choice

Date

2025/07/03

Date Created

2017/09/28

Author

sbchateauneuf

default watermark

default watermark