



New Investors: 2 Top TSX Stocks to Buy for Your Portfolio

Description

Two key areas of investment make the cut in today's breakdown of top stocks for new investors. It's a rough time for newcomers to the TSX index, with a rushing onslaught of market disruptors that has some investors quaking in their boots. However, as history has shown, stocks always bounce back, and some even thrive during times of economic stress. Let's take a look at two exemplary stocks representing the precious metals and energy sectors.

The top choice for midstream investment

Paying a dividend of 6.65%, it might be tempting for a new TSX investor to malign **Enbridge** ([TSX:ENB](#)) ([NYSE:ENB](#)) as a high-yield midstream junk stock — if you didn't know enough about the company beyond that rich percentage and a handful of headlines, that is. However, the stock is definitely worth revisiting if wide-moat stocks in core sectors of the energy industry are your bag.

The biggest reason to buy is the Mainline network, which puts Enbridge [at the centre of a wide and defensible economic moat](#). Though the system certainly has its detractors, the pipeline apportioning system is closely watched by fuel shippers and energy investors alike and is still one of the most comprehensive means of draining the oil patch — a big concern for an industry with chronic transportation issues.

Precious metals investment could have a new rising star

While it's underperformed the Canadian metals and mining industry in the last 12 months, **Fortuna Silver Mines** ([TSX:FVI](#)) ([NYSE:FSM](#)) is trading at book value, boasts a nearly flawless balance sheet, and has a sunny outlook. What's more, the outlook for silver itself as a defensive commodity is looking decidedly upbeat, with the precious metal having languished lately while its more popular cousin, gold, has been claiming the spotlight.

Value investors should weigh Fortuna against its competitors, though. Its high P/E (nudging 30 times earnings) is almost double the average of its peers. That said, for the upside potential — likely to rise in

this increasingly troubled economic environment — the stock looks like it's worth buying at almost any price, with the silver miner's income looking set to soar by almost a third over the next one to three years.

Silver is looking like it's about to have its time in the sun, and while Fortuna is not a play for dividends [it's a solid choice for long-term capital gains](#). There are other mining stocks that do pay dividends, though, such as the gold mining behemoth **Newmont Goldcorp** and the copper, nickel, and zinc miner **Lundin Mining**, so dig around if passive-income investment holds more appeal for your wealth management style.

The bottom line

From big-name energy companies like Enbridge to precious metals miners such as Fortuna, there are plenty of decent stocks on the TSX for a new investor to choose from. While some veteran stockholders might be currently eyeing the market with a view to cashing in their chips, new investors with more appetite for risk have plenty of fairly safe options to stay invested — and even make a profit — during potentially trying times.

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