



Portfolio Ideas: Where to Invest \$1,000 This Week

Description

If you're new to financial markets and worried about the recent turmoil, that's understandable. However, there is absolutely no need to panic or differ your investment plans.

These are some of the best times to start investing in the last several years. Moreover, if you're thinking of seeking a financial adviser or a planner, there's no need whatsoever. You can totally do this all by yourself.

The below proposed portfolio provides sectoral diversification and has a tilt toward safety—as needed in current times. It is a combination of growth as well as defensive investing and could be a great starting point for investors.

Another advantage is that these stocks are less or not correlated to each other. In layman's terms, even if one stock falls significantly, the rest of the portfolio will likely remain fairly strong.

Algonquin Power

Algonquin Power and Utilities ([TSX:AQN](#))([NYSE:AQN](#)) provides power to Canada and North America. Utilities are generally considered a stable business, as even in recessions people don't stop using electricity and gas. Thus, the company has been generating stable revenues and earnings for the past several years.

Even if utility investments look boring, they could outperform tech giants in volatile markets. While broader markets have cracked more than 10% amid coronavirus fears in the last few weeks, [Algonquin Power stock has stayed notably strong](#).

Additionally, because of its stable and predictable earnings, Algonquin pays stable dividends as well. In 2020, it is expected to pay a dividend of \$0.80 per share. The company aims to increase these dividends per year by 6% through 2024, which indicates management's earnings stability and predictability.

Kinross Gold

You might have heard that physical gold prices have been rallying since late last year. One of the beneficiaries of this rally is gold miners. Higher gold prices boost gold miners' profits as well as their share prices. **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) is one such miner stock that has surged more than 70% in the last 12 months.

However, based on the upbeat outlook for gold for the rest of the year, Kinross Gold stock could have more upside going forward.

Investors generally park their money in gold when the anxiety in the broader markets increases. After trade tensions between China and the U.S., coronavirus spoiled the mood of the global financial markets. That worked in favour of the yellow metal and miners.

Many gold miner stocks are up significantly in the last few months. Notably, higher expected gold prices could continue to benefit these miners through 2020 and beyond.

OpenText

While the above two stocks fall in a relatively safe-play category, **OpenText** ([TSX:OTEX](#))([NASDAQ:OTEX](#)), a comparatively risky play, will give the portfolio a growth tilt.

A software company OpenText stock has more than doubled in the last five years. The company has accomplished an overwhelming growth both operationally as well as financially in the last few years. It has managed this growth mainly through acquisitions.

[OpenText is a financially sound company](#) with a strong management team. A strong screening process for acquiring companies differentiates this company from peers.

OTEX stock has fallen more than 11% amid recent market weakness, which could be a lucrative opportunity for investors to jump in at discounted valuation.

OpenText pays stable dividends and currently offers a yield of 1.6%. Though the yield is not as juicy, its long payment history and tall dividend growth make it an attractive name in the tech space.

One can also invest in the top **TSX** index fund **iShares S&P TSX 60 Index ETF** ([TSX:XIU](#)). This will again be a safer option that will give exposure to the biggest 60 companies in the country. The returns from XIU will be highly correlated to the broader Canadian markets.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)

2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:KGC (Kinross Gold Corporation)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:K (Kinross Gold Corporation)
6. TSX:OTEX (Open Text Corporation)

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