



2 Blue-Chip Companies for Beginners

Description

For beginners, investing in exchange-traded funds (ETFs) is likely the best course of action. Doing so would allow you to become familiar with the stock exchange and get a feel of seeing your investment account go up and down over time. One benefit from investing in ETFs is that you're spreading your capital among many companies. Therefore, the under-performance of one company will not result in any extreme losses.

However, if you are more inclined to choose individual companies, blue-chip companies are most suitable. I have written about [excellent examples](#) for reliable companies in the past, but today I will provide another two. Today I will focus on market leaders in stable industries.

Take advantage of consumer shift to 5G

One of the most anticipated technology shifts is the switch to 5G. Companies involved in this industry, whether they create chips used in phones, sell mobile phones, or provide telecom services are primed to benefit in the future. Luckily for Canadians, we have great telecom companies trading on the **TSX**.

Although only recognized as the third largest telecom provider in the country, **Telus** ([TSX:T](#))([NYSE:TU](#)) is my favourite of the big three (**Rogers** and **BCE** being the other two). Although the company has reach across the country, it is the leader among carriers in British Columbia and Alberta. Telus lists three main avenues for growth in the future: the shift to 5G, Telus Purefibre, and [Telus Health](#).

While the consumer evolution to 5G is certainly the largest driver of growth, you would be remiss if you overlooked the other two streams on which the company is focusing. Telus is investing heavily in developing its technology in all three aspects of its business. This is a large company that should continue to grow in the future.

A company with deep pockets

One of the most well-known companies in Canada is **Brookfield Asset Management** ([TSX:BAM-A](#))([NYSE:BAM](#))

). The company has many subsidiaries that are also popular investment choices among Canadians such as: **Brookfield Business Partners**, **Brookfield Infrastructure Partners**, **Brookfield Property Partners**, and **Brookfield Renewable Partners**.

As you will notice, Brookfield has a hand in many sectors. The company is a leading player in real estate and renewable energy in Canada. This diversification among various sectors will provide investors with great stability through the years of holding this stock. It is very unlikely that all the industries Brookfield is exposed to will be affected negatively at the same time.

The company has a very competent management group. Its Chief Executive Officer Bruce Flatt has been in the position since 2002. He is often seen as Canada's Warren Buffett due to his extended tenure as Brookfield's head of operations and his large ownership stake in the company.

As you may have guessed, Flatt is a big proponent in investing in real assets that produce cash flow (real estate, utilities, etc.). This is an idea that is quickly growing among institutional investors, which means the company is in an excellent position to grow moving forward.

Foolish takeaway

Investing in blue chips is an excellent choice for beginner investors. However, that doesn't mean the companies you invest in need to be boring. Telus and Brookfield Asset Management provide exciting opportunities for growth in the future.

CATEGORY

1. Investing

POST TAG

1. canada
2. dividend stock
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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:TU (TELUS)
3. TSX:BN (Brookfield)
4. TSX:T (TELUS)

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Author

jedlloren

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