



2 Stocks for 1st-Time Investors to Buy in September

Description

Despite all the volatility we've seen in the stock market this year, we're at roughly the same place we began the year. There have been all sorts of ups and downs, but the **S&P/TSX Composite Index** is now down just 3% below where it was on January 1 earlier this year.

A record-setting drop occurred from the last week of February up to the last week of March. The previously mentioned index dropped an incredible 37% in just over one month. The sharp decline sent alarm off bells in stock markets across the globe.

The V-shaped recovery since that March 23rd low has been almost as incredible. Since the market's low of the year in that last week of March, the Canadian market has surged close to 50% in just about five months.

As I said, investors have had to endure all sorts of volatility throughout this year. But even with plenty of uncertainty ahead in the short term, the stock market has a strong historical track record of providing returns to shareholders over the long term.

I've covered two Canadian stocks that are perfect for first-time investors. If you're ready to begin investing Foolishly and holding for the long term, consider adding these two companies to your watch list in September.

Constellation Software

Since **Constellation Software** ([TSX:CSU](#)) joined the public market in 2006, it has [handsomely outperformed the Canadian market](#). The tech company has delivered gains of more than 5,000% to shareholders since 2006 versus gains of about 50% in the Canadian stock market.

Valued at a market cap of close to \$35 billion, Constellation Software might not be a household name among most Canadian investors. The tech company designs vertical-specific software for both public and private sector clients. The company provides customers with additional support through installation, implementation, and training services.

The tech company has also implemented an [aggressive acquisition strategy](#) to help fuel revenue growth. Constellation Software often doesn't disclose an abundance of details on its acquisitions, though. The company believes the secrecy helps keep future acquisition costs low.

TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is Canada's second-largest bank behind **Royal Bank of Canada**. A much larger company than Constellation Software, TD Bank is valued at a market cap of close to \$115 billion.

TD Bank doesn't have the same type of track record of growth as Constellation Software, but this major Canadian bank will provide investors with stability and a dividend yield that you'll be hard-pressed to beat.

At today's stock price, the dividend is equal to a yield of about 5%. The annual payout would earn shareholders \$3.16 per share.

TD Bank can offer investors exposure to the American economy as well. Today, roughly 20% of the bank's revenue is driven by its U.S. retail banking operations. The company continues to invest aggressively in its U.S. expansion, which today consists mainly of east coast locations. TD Bank still has plenty of opportunities to expand throughout the west in the upcoming years.

Foolish takeaway

Investing in the stock market for the very first time can be intimidating. Owning reliable, large-cap stocks is one way to help ease yourself into becoming an investor. This is exactly why I've covered Constellation Software and TD Bank. Together, the two companies can build a solid foundation to start your very first investment portfolio.

CATEGORY

1. Bank Stocks
2. Investing
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POST TAG

1. constellation software
2. constellation software stock
3. Editor's Choice
4. TD Bank
5. TD Bank Stock

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:TD (The Toronto-Dominion Bank)

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