



Investing \$3,000 in These 3 TSX Stocks Is a Genius Plan!

Description

Are you looking for a genius plan to start investing in **TSX** stocks today? (In reality, aren't we all?) With interest rates at all-time lows, savers have to realize that money sitting in an average high-interest savings account [only earns between 0.9% and 1.7%](#). After bank fees, taxes, and inflation (averages around 2% in Canada), you are in fact losing purchasing power by keeping all your money in a savings.

If you are saving up for a car, a house, an engagement ring, or something in the immediate future, I would still recommend it stay there (or maybe in a short-term GIC if the yield was higher). However, if you have the risk capacity and time horizon (at least 2-3 years) to invest in the stock market, you probably should.

One area in this environment that looks very attractive is dividend-paying TSX stocks. If you are sitting on \$3,000 that you can afford to invest (and potentially lose- markets are never a sure bet), check out three of my top TSX dividend stock picks in September.

This TSX stock is as safe as it gets

If you are new to investing and [don't want to be over-exposed to any serious risks](#), then **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a perfect TSX stock for you. It is a \$24 billion company that owns and operates 10 diversified utilities across North America.

When there is a lot of uncertainty in the economy and the stock market, I want to own stocks that provide essential services. I want stocks that accommodate everyday life. Fortis does just that. 93% of its business is derived from either transmission or distribution of electricity or gas. 99% of its assets are regulated. This all means that its cash flows are very consistent and predictable.

Fortis pays a decent 3.8% dividend right now. However, it has just launched a \$20 billion capital plan that should accrete 6% rate base growth and ~6% annual dividend growth over the next five years. Given the quality and safety of this TSX stock, that is a pretty attractive rate of return for risk adverse investors.

This stock is undervalued and has underlying growth

Canadian Apartment REIT ([TSX:CAR.UN](#)) is another attractive alternative investment to a savings account. Although retail and office REITs (real estate investment trusts) have been called into question during the pandemic, apartment REITs still look really attractive.

Just as people *need* power from Fortis, people *need* somewhere to live. Canada has a housing shortage problem. Consequently, many Canadians, especially in Canada's largest cities, must rent their housing.

As Canada's largest apartment owner, CAP should benefit from strong rental housing demand for many years to come. Similarly, with interest rates at all-time lows, apartment buildings are increasingly becoming attractive institutional investment alternatives to bonds. Consequently, CAP REIT should see its property values increase both from higher rental demand and investor demand.

CAP REIT pays a 3% dividend that is supported by a solid balance sheet and an attractive portfolio of assets. If you want to own your own apartment rental, buy CAP and save yourself the management hassle.

This TSX stock is a perfect portfolio base

Telus ([TSX:T](#))([NYSE:TU](#)) is another genius TSX stock idea if you want to lock in a solid ~5% dividend. Canadian telecoms are generally not the most exciting "growth" businesses. However, Telus has some smaller subsidiaries focused on digital health and digital services that show promise. These segments could be spin-outs at some point. I believe they give Telus a growth arm that differentiates it from its peers.

Telus should continue to benefit from the work-from-home environment, as well as the rollout of 5G across Canada. All in, Telus provides an essential service, that is going to remain important to Canada for a very long time. 5% yield and high single digit cash flow growth for many years, and this is a solid income stock for new investors.

CATEGORY

1. Dividend Stocks
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1. NYSE:FTS (Fortis Inc.)
2. NYSE:TU (TELUS)
3. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
4. TSX:FTS (Fortis Inc.)
5. TSX:T (TELUS)

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