



## New Investors: 3 Dividend Stocks You Can Start With in 2021

### Description

New investors to stock investing may be overwhelmed. There's lots to learn. You don't know what stocks to invest in or [how to manage your portfolio](#). You're afraid to lose money.

I've been through all that and am here to give you some guidance.

Take it one stock at a time. I think it's easier for new investors to get started by investing in quality dividend stocks that provide decent dividend income and peace of mind. These stocks are less volatile and can help you learn the ropes.

Currently, they're at least reasonably priced. So, you'll likely make money, especially if you have an investment horizon of at least three to five years. It's always a good idea to have a long-term investment horizon because stocks tend to go up in the long run and you can ride through market corrections.

### Get a 5.7% yield with this dividend stock

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) stock is a great bargain right now with roughly 22% upside potential over the next 12 months. At \$56.26 per share at writing, it yields 5.76%. What's more to like is that it will be increasing its dividend in March.

This will mark its 21st consecutive year of dividend growth. Management believes a dividend hike of approximately 8% will be appropriate. So, by buying today, your effective initial yield will be roughly 6.2%.

That's about 140% greater than what the Canadian stock market offers and 265% higher than what the best five-year GIC rate offers!

TC Energy runs under a low-risk business model. Its cash flows are supported by regulated assets and long-term contracts. Moreover, it has a \$25-billion capital plan through 2023 to support future growth. As a result, you can expect more dividend growth down the road.

## Fortis stock is also a good value

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) stock is another Canadian Dividend Aristocrat you can trust with your hard-earned money. It's backed by a history of 47 consecutive years of dividend increases, which is easily one of the longest dividend-growth streaks on the **TSX**!

The regulated utility stock is a good value at the moment. At \$52.09 per share at writing, it yields 3.88% and has 12-month upside potential of about 14%.

Its dividend is protected by highly stable earnings that come from a diversified portfolio of primarily transmission and distribution assets. People need to use gas and electricity through economic cycles. Additionally, management takes care to maintain a sustainable payout ratio.

So, you can trust Fortis stock's dividend to be secure.

## Another stable dividend stock

**Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)) or CAPREIT is [another stable dividend stock](#) you can look into. It has a top-notch portfolio in residential rental apartment and townhouse suites and manufactured home community sites in major urban centres across Canada, the Netherlands, and Ireland. About 43% of CAPREIT's portfolio is in Toronto and the Greater Toronto Area.

The dividend stock offers an essential product — everyone needs a place to live. If you don't own a place, you're renting. So, its funds from operations (FFO) (i.e., earnings in the REIT world) have been incredibly stable and grow in the long haul. Since 2006, it only had one year of FFO per unit decline and it was merely a 1% decline.

At \$51.31 per share at writing, it yields 2.69% and has 12-month upside potential of about 12%.

Interestingly, the dividend stock currently offers a 5% discount on shares purchased from reinvestment of its cash distribution.

If you're not too sure about an investment in CAPREIT yet, you can wait for its full-year 2020 results that will be released on February 24.

## The Foolish takeaway

There you have it! TC Energy, Fortis stock, and CAPREIT are some of the most trusted dividend stocks on the TSX. They're all trading at good valuations today. So, I urge you to take a closer look as a starting point for your surely rewarding stock investing journey!

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

## **TICKERS GLOBAL**

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
4. TSX:FTS (Fortis Inc.)
5. TSX:TRP (TC Energy Corporation)

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## **Author**

kayng

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