Buy This Mini 4-Stock Portfolio for Quality TSX Access

Description

Starter packs are available for just about every type of novice. The PC gamer usually gets a standard build — monitor, tower, keyboard — that can be added to. A home brewer can likewise pick up a still and ingredients to quickly begin their own line of quirky beverages. But investors usually have to choose from ETFs and indexes that are often too broad — or too narrow — for the market. And in today's high-volatility world, that can be something of an issue.

That's why picking the best stocks and putting them together in a kit-built portfolio is sometimes the best way to go. The trouble is that some stocks are vastly better than others — even within the same industry. Today, we will explore four stocks that can help to build a new portfolio. Covering stocks from the Big Five banks to mining to energy to supply infrastructure, here's a simple four-stock play to get investors started on multi-year wealth generation.

Mixing financials and metals stocks

While there is no such thing as a risk-free stock, **CIBC** nevertheless comes close. Rewards for investors in this blue-chip Canadian bank range from a 5.3% dividend yield (with a reasonable 71% payout ratio) to fair value and a squeaky-clean balance sheet. CIBC's P/B ratio of 1.3 times book is well in line with the sector average. Another consensus moderate buy, this rich-yielding Big Five play could have 26% upside if economic conditions improve.

Silvercorp is a relatively cheap stock with a healthy balance sheet and a reliable dividend. Throw in its access to silver, and there are a handful of reasons already to get invested. A stock that could sell for $22, this name — at $7.20 a pop — is still currently undervalued. It's fairly low risk, too, with a three-year beta of just 0.6. And despite all of this, Silvercorp could bag shareholders as much as 800% in total returns by 2026.

Two stocks to lower portfolio risk

CP Rail tends not to get the same kind of coverage as its biggest rival **CN Rail**. Regardless, CP Rail is a consensus moderate buy at the moment, yielding 0.9% and with around 14% upside potential. But outside of price targets, total returns by mid-decade could throw as much as 180% in shareholders' laps. Up 30% in 12 months, and about as low-risk as Silvercorp, the steady-rolling CP Rail has resonated with investors during the pandemic.

Fortis is renowned for its track record of dividend payments and has lost just 10% in the last 12 months. Despite being a renowned income stock, Fortis is still good value for money. Selling at 35% of its fair value derived from projected future cash flows, Fortis is a value play with solid quality indicators. While debt to equity could be lower at 1.1, a 36-month beta of 0.07 indicates a stock that doesn't budge an inch, no matter the market.

By mixing silver, banking, infrastructure, and energy, a new investor can get a quick handle on the TSX. While the investment opportunities by no means end there, this style of diversification can help to lower the risk of overexposure and capital loss.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Metals and Mining Stocks
6. Stocks for Beginners

POST TAG

1. banks
2. Dividends
3. silver

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Metals and Mining Stocks
6. Stocks for Beginners

Tags

1. banks
2. Dividends
3. silver

Date
2025/07/21
Date Created
2021/01/31
Author
vhetherington