



## Beginner Investors: 3 Canadian Stocks to Buy Today!

### Description

Once you have savings and want to start investing, one of the biggest challenges for beginner investors is deciding what Canadian stocks you want to buy.

Some will prefer to go big, looking for stocks with higher reward potential but also more risk. Others will prefer to play it safe, finding risk-averse investments and protecting their capital.

In today's investing environment, the options are essentially endless. For beginner investors, though, you'll probably want to start with simple, easy-to-understand businesses.

With that in mind, here are three Canadian stocks I would recommend.

### Here's an easy-to-understand Canadian dividend stock

The first stock I would recommend is an easy-to-understand dividend stock for any investor. **Pizza Pizza Royalty** ([TSX:PZA](#)) is structured so that the company receives a royalty on all sales from each of its restaurants across Canada.

This makes the company very easy to understand for beginner investors. All you have to watch is the sales level from the royalty pool. From there, the company pays its small administrative expenses, and the rest of the cash is paid out to shareholders.

This type of company is a low-risk way to invest in the restaurant industry. You only have to watch same-store sales to see how the business is trending.

Plus, it pays an attractive dividend of 6.9%. And because Pizza Pizza is still recovering from the pandemic, you can expect the dividend to be increased again as we get back to normal.

### This is the top Canadian value stock

Another great Canadian stock to buy for beginner investors is **Corus Entertainment** ([TSX:CJR.B](#)).

Corus is a media company that owns TV and radio assets. The bulk of its business is focused on TV, though, so that's where most of the focus is for investors and analysts researching the stock.

Corus mainly makes money through advertisements on its TV channels. Ad spending is something that naturally drops off in a recession, and that was highly evident during the first half of 2020. Since then, however, advertising dollars have recovered quite substantially.

[Corus](#), though, seems to be earning free cash flow no matter what. Many were worried the coronavirus pandemic would derail Corus's turnaround plans. That never came to fruition, though.

Instead, the Canadian stock has improved its position substantially. It never had to trim its dividend and even managed to pay down excess debt last year.

So, with the company trading at just 6.7 times its forward earnings and offering a dividend yield of 4.9%, it's one of the best buys you can make today.

## Consider a fund that tracks the market

One thing beginner investors may struggle with is narrowing down the countless opportunities to only a handful of investments. Whether you can't decide which stocks offer the most potential or whether you're worried about the different levels of risk, if this is the situation you find yourself in, consider **iShares S&P/TSX 60 Index ETF** ([TSX:XIU](#)).

The XIU is an ETF that tracks 60 of the largest Canadian stocks. This is an ideal investment for those who want to participate in the market but don't want to take on the risk of a single stock. It's also the strategy that [Warren Buffett](#) recommends for most beginner investors.

The XIU gives investors exposure to every Canadian industry. That makes the fund great for long-term investors since, over time, it will grow with the Canadian markets.

Today the fund yields just under 3%. So, in addition to all the long-term growth potential, the fund will also return cash to you as well.

## Bottom line

Beginner investors should never forget that the one major prerequisite to buying a stock is understanding the business. If you can't articulate how the company makes money, you likely can't determine whether the investment has value.

So, make sure you understand the Canadian stocks well before you buy them. That way, you'll be ready for any opportunities that present themselves.

### CATEGORY

1. Dividend Stocks

2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:PZA (Pizza Pizza Royalty Corp.)
3. TSX:XIU (iShares S&P/TSX 60 Index ETF)

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