



New to Stock Investing? 3 Best Ways to Learn

Description

I started investing in stocks by trading with real money after I got my first paycheques, thinking that I only needed to buy low and sell high. Obviously, that wasn't enough to keep me going after a while. I needed to learn more.

People learn differently. For those who want to buy their first stocks, I suggest doing some reading on the topic and paper trading before starting with simple stocks to get their feet wet.

Reading

To make money from stock investing, you need to have some concepts in mind first. You might pick up some popular, bestseller books on stock investing like value investing, dividend investing, growth investing, and technical analysis.

Here are some good books to start with:

- *The Single Best Investment* by Lowell Miller
- *One Up on all Street* by Peter Lynch
- *The Most Important Thing* by Howard Marks

For shorter reads, find articles on stock investing. Additionally, you can learn from other people's experiences or even ask questions about stock investing in related forums.

Once you've got some concepts down, you can start applying what you learned through paper trading.

Paper trading

Paper trading is a great way for anyone to learn stock investing. If you bank with the big banks, you can probably paper trade on there for practice. That is, you'll be able to practice buying and selling stocks with virtual money. This way, you can get a sense of the stock market and test out your

strategies without risking real money. Some other apps might offer paper trading services as well.

Starting simple

Babies learn by observing, exploring, and practicing. When children first learn to write, they start with the alphabet. New stock investors can also start with the “alphabets” of the stock investing world. That is, start with the simple companies that are easy to understand.

Here are some simple stocks to start with. They provide relatively stable returns from dividends with decent yields and steady price appreciation.

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a regulated electric and gas utility. It distributes gas or electricity to 3.3 million customers. Moreover, it gets predictable returns on its assets thanks to the regulated nature of its business.

Therefore, long-term Fortis investors have enjoyed [a safe and growing dividend income](#). Currently, the fairly valued stock yields 3.7% and plans to grow its dividend by about 6% per year through 2025.

The utility will declare a dividend increase in September. So, if you plan to buy and hold the dividend stock through 2025, you’re looking at a yield on cost of close to 5% by September 2025.

Telus ([TSX:T](#))([NYSE:TU](#)) provides wireless, internet, TV, and security services, such as video surveillance and analytics, to its customers. Primarily, it earns recurring revenue from its subscribers. Therefore, last year, it saw revenue growth of 5% to \$15.3 billion.

Its adjusted EBITDA also remained resilient with marginal growth to \$5.7 billion, despite a pandemic year. Moreover, the defensive company maintained its dividend-growth streak by raising its dividend by 5.2%. Currently, the telecom is fairly valued and offers a yield of 4.9%.

The Foolish takeaway

Other than reading, paper trading, and starting simple, also consider easing in slowly. So, don’t use up all your available cash at once. If you like a company and its price, start a small position and read up more about the company.

As you learn more about stock investing and the businesses you own over time, you can become more comfortable with your stock positions, despite the volatility and risks that are present.

Always stick with what works for you. That is, you should make money with your investing strategy in the long run, while being able to sleep comfortably at night.

CATEGORY

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

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