



Where to Invest \$5,000 Right Now

Description

The stock market went through a period of massive volatility with the onset of a global pandemic that shook the world in 2020. Most sectors of the economy recovered rapidly after the February and March 2020 sell-off. The accelerated vaccine rollout has increased the hopes of a world that is free from the pandemic.

The market has been reaching new highs for several months. Barring a sudden dip and rapid recovery a few weeks ago, the **S&P/TSX Composite Index** continues to make new records. Cautious investors typically start fearing a market crash under such conditions. However, the market looks well-positioned to continue exhibiting more growth as the economy recovers.

[If you are just starting investing](#) and have \$5,000 to invest, you should understand that it would be better for you to avoid investing in highly overvalued stocks. You do not want to risk investing in assets that could decline at a moment's notice. Finding [high-quality assets](#) that are reasonably valued and can provide you reliable long-term returns could be the best way to begin investing in the stock market.

I will discuss two such stocks that you should have on your radar.

Canadian National Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) belongs to the railroad industry and is a stock that offers safety to investor capital due to its high barrier to entry and stable earnings. The company is a leading presence in the sector in North America, operating a 19,000-mile railway network that connects the Gulf of Mexico, the Atlantic, and the Pacific. With a presence across three coasts, the company's competitive advantage leaves no rivals that can compete with it.

Despite its dominance in the industry and stable earnings, CNR stock is down by 10% since April 2021. The decline in its valuation might seem like a worrying sign for new investors, but it could be an excellent opportunity for long-term investors who want to capitalize on the mature company's steady growth and reliable dividends to grow their wealth.

Trading for \$133.73 per share at writing, CNR stock boasts a meager but respectable 1.84% dividend yield.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) stock is a no-brainer pick for your portfolio if you don't already have a position in the company. The utility holdings company owns and operates 10 businesses that offer electric and natural gas utility services to its customers in Canada, the U.S., and the Caribbean. The company's businesses provide essential services to 3.4 million customers, generating reliable and predictable cash flows.

Fortis earns almost its entire revenues through highly rate-regulated and long-term contracted assets, allowing the company to generate predictable cash flows. The company's management can use its predictable revenues to comfortably fund its growing dividends. Fortis boasts a 47-year dividend growth streak, making it one of the best Canadian Dividend Aristocrats.

Trading at \$56.16 per share as of writing, Fortis stock boasts a 3.60% dividend yield.

Foolish takeaway

As someone new to investing, it might seem overwhelming for many beginners to take the plunge into DIY investing. Given the wealth of options available in the market today, it can become confusing to find the right picks to start building your portfolio. Many new investors are attracted by the prospects of the exciting high-growth stocks that have the markets abuzz.

However, it might be better to start with shares of businesses that you can understand and have the reputation for providing investors with reliable long-term returns. You can start diversifying into riskier assets that provide high returns once you get a better understanding of the market.

Canadian National Railway stock and Fortis stock could be ideal assets to begin building your investment portfolio for [reliable long-term returns](#).

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:FTS (Fortis Inc.)

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