



2 Top TSX Stocks for New Investors

Description

Reduced discretionary spending and realizing the need to create more income streams to supplement active income were two of the interesting developments that came from the pandemic. Canadians are taking a greater interest in using their savings to invest in the stock market to generate significant returns.

[If you're just starting investing](#), you might have all kinds of questions about which stocks you should choose to begin dabbling in the stock market. Provided that you can find the right investments, it is possible to generate market-beating results over time. You might have started taking an interest in stock market investing after hearing of high-growth but high-risk assets that have the potential to generate massive returns.

However, there is always the chance that you can lose a significant amount of money by investing in high-risk stocks. It is better to start things off on a safer note by investing in companies that can provide you with [reliable long-term returns](#) and dabbling in riskier investments once you have a good idea of how the markets work.

Today, I will discuss two of the top Canadian stocks you should have on your radar as a new investor to start on the right foot.

Royal Bank of Canada

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) stock is a no-brainer stock to buy and hold for the long haul. It is the largest Canadian bank in terms of its market capitalization. It used to boast the largest market cap on the TSX, until **Shopify** stock came along to dethrone the Canadian bank. The Canadian banking stock has boasted significant growth over the last 12 months.

At writing, RBC stock is trading for \$131.74 per share. The stock is up by 33.15% in the last 12 months. RBC stock boasts a juicy 3.28% dividend yield supported by robust cash flows. The bank will report its Q3 earnings for fiscal 2021 on August 25. RBC will likely report superior earnings growth considering the industry tailwinds amid the economic expansion and growing consumer demand.

The bank's diversified geographical presence and solid business make it an excellent long-term investment to consider.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is a utility business that combines regulated and renewable energy assets to provide utility services to its customers. The company generates stable cash flows due to the essential nature of its services.

Utility companies typically offer stability but don't offer much in terms of growth. However, AQN's blend of regulated and renewable assets allows the company to realize greater margins and superior earnings growth compared to its peers in the utility sector. The utility company's share prices have appreciated by over 300% in the last decade — impressive figures for a utility business.

At writing, the stock is trading for \$19.93 per share, and it boasts a juicy 4.29% dividend yield.

Foolish takeaway

You can always consider investing in exchange-traded funds (ETFs) that hold diversified baskets of stocks that emulate certain indices on the stock market to provide you with relatively safer returns. However, picking the right individual stocks gives you the opportunity to enjoy market-beating returns on your investments.

Additionally, learning how to create a portfolio of individual stocks yourself rather than relying on ready-made portfolios could help you understand how to gauge publicly traded companies and how the stock market works.

Gradually, you might be able to use the knowledge you acquire to make more calculated decisions about riskier assets that can provide you with [outsized returns](#). If you are thinking of making a safe start, assets like Royal Bank of Canada stock and Algonquin Power & Utilities stock could be ideal investments to begin creating your investment portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:AQN (Algonquin Power & Utilities Corp.)

4. TSX:RY (Royal Bank of Canada)

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