



3 Stocks for a New Portfolio

Description

There's no doubt that investing in the stock market can be one of the greatest ways to reach financial independence. However, it can be difficult for new investors to decide which companies to hold in a portfolio. Investors should always try to maintain a portfolio that's not only well-balanced in terms of growth and stability, but also in terms of small- and large-cap stocks. In this article, I'll discuss three stocks that investors should consider holding in a new portfolio.

Start by adding stable dividend companies

Investors should first try to build a solid foundation consisting of dividend companies. In Canada, many of the large companies that we interact with every day will fit into this classification. Think of banks, utilities, and grocery stores. One area that Canadians often choose to invest in is the banking industry. Canadian banks are very popular because of its highly regulated nature. This makes it difficult for new competitors to surpass the industry leaders. Of the banks, my top pick would be **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

Because it has successfully raised its dividend for more than five years (its dividend-growth streak is 10 years), Bank of Nova Scotia is known as a Canadian Dividend Aristocrat. In addition to a lengthy dividend-growth streak, the company offers an attractive yield. As of this writing, Bank of Nova Scotia offers a forward dividend yield of 4.58%. With a payout ratio of 50.35%, the company has sufficient room to continue growing its dividend in the future.

Add a blue-chip growth stock

Once investors have built a solid foundation, it would be a good idea to balance out the portfolio with solid [blue-chip companies](#). Personally, I believe the e-commerce industry provides the greatest risk-to-reward ratio. As such, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) remains my top growth stock. The company provides businesses of all sizes with a platform and all the tools necessary to operate online stores. Currently, more than 1.1 million businesses around the world use Shopify.

Since its IPO, very few stocks have been able to keep up with the company in terms of growth. Shopify has been consistently featured on [the TSX30](#), a list of the 30 best-performing stocks on the **TSX** over the past three years. In the 2020 edition of the list, Shopify ranked first, after it gained 1,043% from 2017 to 2020. In the 2021 edition, Shopify ranked second after gaining 846% from 2018 to 2021. The e-commerce industry is poised to continue growing at a rapid pace over the next decade. Don't expect Shopify's growth to stop anytime soon.

Take a chance on potential home-run stocks

Finally, investors should consider allocating a small portion of their portfolio towards home run stocks. I define these as companies that could produce a 10 times return over the next decade. An example of a potential home-run stock is **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)). The company provides a cloud-based, AI-powered eLearning platform to enterprises. Given the remote setting that many businesses are currently forced to operate under, Docebo has the perfect opportunity to grow rapidly over the next few years.

Docebo has already managed to land many impressive companies as customers. Last year, Docebo secured a multi-year partnership with **Amazon** to power its AWS Training and Certification offerings worldwide. If the company can build off that success, investors could see massive gains from here. As of this writing, Docebo is only a \$3.2 billion company.

CATEGORY

1. Bank Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:DCBO (Docebo Inc.)
6. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

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

PP NOTIFY USER

1. jedlloren
2. kduncombe

Category

1. Bank Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

Date

2025/08/18

Date Created

2021/10/15

Author

jedlloren

default watermark

default watermark