



2 Must-Buy TSX Stocks for Anyone New to Investing

Description

The stock market is one of your best bets for [generating wealth](#). It will take time and patience, but there are plenty of opportunities to create wealth by investing in **TSX** stocks.

Canadians have a few different options when it comes to investing in stocks. If you're looking for a hand-offs investment strategy, owning a low-cost passive index fund is a good fit for you. But some prefer to be more involved in their investing strategy. For those people, I'd suggest investing in individual TSX stocks.

What to look for when picking TSX stocks

It may seem daunting at first when you begin building an investment portfolio from scratch. But you'll be surprised how quickly you become comfortable with the ins and outs of the stock market.

When it comes to picking individual companies to invest in, there are a few things to keep in mind when starting out.

Market opportunity and [growth](#) should be top of mind. Try to research what different companies are forecasting for growth in the coming years. How are certain companies positioned in the market compared to its peers? Owning shares of reputable market leaders is a great way to go when starting out.

In addition to growth potential, investors should also be conscious of the diversification in their portfolios. You'll likely tend to invest in sectors you're more familiar with, which there's absolutely nothing wrong with. But if your portfolio consists strictly of individual companies, you'll want to make sure you're not over-indexed too heavily in one area of the market.

To get you started, I've reviewed two [top TSX stocks](#) to add to your watch list. Both picks are very different from one another, providing your portfolio with the diversification it needs.

Toronto-Dominion Bank

Based on market cap size, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is the second-largest bank in the country. Its \$170 billion market cap trails only **RBC's** nearly \$200 billion valuation.

For both new and seasoned investors alike, there are a few reasons why investing in a Canadian bank is an excellent idea. Owning shares of one of the Big Five can provide your portfolio with stability, growth, and passive income.

The banks have been some of the most dependable TSX stocks for decades. That doesn't mean you won't experience any volatility, but if you're planning on owning more high-risk growth picks in the future, you'll be glad to own shares of a top bank like TD in your portfolio.

Northland Power

To add some growth to your portfolio, I'd recommend picking up some shares of **Northland Power** ([TSX:NPI](#)).

At an \$8 billion market cap, the company is a Canadian leader in the growing renewable energy space. It offers its customers a range of different green energy solutions, providing shareholders with broader diversification to the space.

Shares of the TSX stock have nearly doubled the returns of the Canadian market over the past five years. And that's not even including Northland Power's 3% dividend yield.

Renewable energy is one area of the market that I'd urge any new investor to have exposure to. The tailwinds for the space are evident, so I'm betting that Northland Power and its peers will be enjoying many more years of market-beating growth.

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2. Stocks for Beginners

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1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:NPI (Northland Power Inc.)
3. TSX:TD (The Toronto-Dominion Bank)

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