



3 Must-Buy TSX Stocks for Anyone New to Investing

Description

The Canadian stock market is coming off an incredible year of gains. Even amid a global pandemic, the **S&P/TSX Composite Index** ended 2021 up over 20%.

It's anybody's guess as to how the market will fare in 2022. That being said, there's lots of optimism to kick off the new year. There's still a lot of uncertainty surrounding COVID, but the stock market has proven over the past year that it can still flourish, despite a global pandemic continuing to wreak havoc.

Investing in individual TSX stocks

If you're interested in having a hands-on investing strategy, I'd recommend buying [individual TSX stocks](#). Of course, there's also the option of beginning with index funds and slowly adding individual stocks over time.

Beginning with index funds is a great choice for new investors, as it will provide much-needed diversification to a portfolio. Otherwise, it will take time to build that up if the plan is to only own individual stocks.

I've put together a list of three TSX stocks that are perfect for anyone new to investing. The three companies all differ significantly from one another, providing a portfolio with instant diversification.

Royal Bank of Canada

For most investors, I'd argue that owning shares of one of the Big Five banks is a wise decision. The banks can provide your portfolio with stability, [passive income](#), and even market-beating growth.

At a market cap nearing \$200 billion, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest bank. It's also the second-largest stock on the TSX.

The major Canadian banks are far from the most exciting TSX stocks, but there's nothing wrong with

that. Bank stocks have been some of the most dependable investments for Canadians for years.

Shares of RBC outperformed the market in 2021 and are up a market-beating 50% over the past five years. And that's not even including the bank's 3.5% dividend yield.

Further, if you're planning on owning shares of any high-valued growth stocks, I'd strongly suggest owning shares of a couple of dependable companies, such as RBC.

Shopify

The only company larger than RBC on the TSX is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). The tech giant doesn't look like it will be losing that number one position anytime soon, either.

Despite the tech stock's massive size, it continues to grow at incredibly impressive rates. The company is coming off a quarter where year-over-year quarterly revenue growth was just shy of 60%. And in the quarter prior, it topped 100%.

Shares of the growth stock are still far from cheap, so I'd caution investors that volatility will likely not be going away anytime soon. But if you have the time horizon to be patient, this is a TSX stock that has many more years of market-beating growth ahead of it.

Brookfield Renewable Partners

Last on my list is a renewable energy stock that combines both passive income and growth.

Shares of **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) are up a market-crushing 100% over the past five years. On top of that, its annual dividend of \$1.55 per share yields above 3% at today's stock price.

As a current Brookfield Renewable Partners shareholder, I'm looking to add to my position in early 2022.

The tailwinds for renewable energy are stronger than ever, which is a key reason why the TSX stock has been a consistent market beater for years.

In addition, shares are priced at a very opportunistic discount right now. The TSX stock is currently trading more than 20% below all-time highs. I don't think this sale will last much longer, so I'd urge investors to act fast if they're interested in starting a position.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:RY (Royal Bank of Canada)

3. NYSE:SHOP (Shopify Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:RY (Royal Bank of Canada)
6. TSX:SHOP (Shopify Inc.)

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