



Stocks for Beginners: The 2 Best TSX Stocks to Buy Today

Description

After a year full of gains, the Canadian stock market has had a rough start to the year. The **S&P/TSX Composite Index** returned more than 20% in 2021. But in 2022, returns are just about flat. On top of that, volatility has been off the charts since the beginning of the year.

On the surface, it may not seem like the wisest time to be investing in [TSX](#) stocks. With all the uncertainty surrounding the country's reopening and potential interest rate hikes, it's not surprising to see all the volatility in the market today. But if you've got a long-term time horizon, now is an excellent time to invest in TSX stocks.

The beauty of investing for the long term is that you don't need to be overly concerned with how the market is acting on a day-to-day basis. Even better, you can take advantage of the market's current condition by picking up shares of top stocks trading at discounted prices.

Here are two TSX stocks that are perfect for anyone that's [new to investing](#). Both companies have a strong history of delivering market-beating gains and are also trading at discounts right now.

TSX stock #1: Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is as close to an index fund as you'll find on the TSX. The asset management company has investments spread across the globe, spanning a range of different industries.

Diversification is important in any investor's portfolio, especially for new investors. It takes time to build a well-diversified portfolio of individual stocks. That's why Brookfield Asset Management is a perfect place to start. The TSX stock can provide a new portfolio with instant diversification.

Brookfield Asset Management may be as diversified as an index fund, but it's performed more as a [growth stock](#) in recent years. Shares are up a market-crushing 115% over the past five years compared to the Canadian market's return of just 35%.

Like many other top TSX stocks, Brookfield Asset Management is trading at a discount right now. Shares are down more than 10% from 52-week highs set in late 2021.

Regardless of the condition of the market, Brookfield Asset Management is a solid buy. And once you add in the current discount, now is an excellent time to start a position in this TSX stock.

TSX stock #2: Constellation Software

After adding a dependable and well-diversified company to your portfolio, you may be looking to add a more high-risk growth stock. The TSX certainly has no shortage of high-priced [tech companies](#) but my next recommendation is not one of them.

Constellation Software ([TSX:CSU](#)) has quietly been one of the top-performing companies on the TSX since it went public close to 20 years ago. Growth has slowed in recent years, but the tech company has still continued to largely outperform the market's returns.

Shares of Constellation Software are up more than 200% over the past five years.

Considering the growth that Constellation Software continues to deliver, shares are still very reasonably priced. The stock price may be trading close to \$2,000 a share, but investors shouldn't be too concerned with that price.

More importantly, the tech stock is valued at a forward price-to-earnings ratio of 30. Compared to other high-growth tech stocks, many of which are unprofitable, Constellation Software is trading at a bargain valuation. On top of that, shares are currently trading more than 10% below all-time highs.

Once your portfolio is well diversified, and you're looking to add some growth, Constellation Software is a fantastic choice.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:CSU (Constellation Software Inc.)

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Date

2025/09/13

Date Created

2022/02/24

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