



Interested in Investing? Now Is a Great Time to Get Started

Description

The stock market hasn't been very strong so far in 2022. Year to date, the **TSX** has only gained about 1.6%. Although that may be disheartening to investors, it actually creates a great opportunity for new investors to enter the market. With the market continuing to trade weakly, investors have the opportunity to load up on shares at very cheap prices. For those starting an investment portfolio, that's exactly what you'd want. In this article, I'll discuss three stocks that new investors should consider buying.

Start by building a core of these companies

As a new investor, you should start by looking for dependable companies that have a history of providing stability during periods of market uncertainty. A great way to find companies like this is to look through the list of Canadian Dividend Aristocrats. Historically, dividend stocks have outperformed growth stocks during recessions and other market downturns. The Dividend Aristocrat list ups the ante by identifying companies that have been able to raise distributions for at least five consecutive years.

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is one of the most impressive companies in Canada in that regard. It has managed to increase its dividend distribution in each of the past 47 years. That gives it the second-longest active dividend-growth streak in Canada. To put that into perspective, Fortis was able to increase distributions during the Great Recession and the COVID-19 pandemic. That's truly a sign of a company with a management team capable of intelligently allocating capital.

Add blue-chip growth stocks

Once you've built a solid core of dividend stocks, it would be a good idea to buy shares of growth stocks. This could give your portfolio a boost during bull markets. Depending on your appetite for volatility, every investor will have a different percentage of their portfolio that they'll be willing to allocate towards growth. As a general rule, investors with shorter investment horizons should have a smaller percentage of their portfolio geared towards growth.

My [top growth stock pick](#) for 2022 is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). It provides businesses with an online platform and all the tools necessary to operate online stores. Since its IPO, Shopify stock has been a major stock market winner. However, this year, the stock has suffered greatly due to rising interest rates and slowing growth rates. Despite these struggles, I believe Shopify will continue to grow alongside the emerging e-commerce industry. Investors have a chance to buy shares at a massive discount.

Think of companies that can benefit under current economic conditions

Finally, investors should consider which companies are set to perform strongly given the current economic conditions. For example, bank stocks would be a great addition to your portfolio today due to the [rising interest rates](#). Historically, banks have seen a widening in profit margins as interest rates increase.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is my top choice among the Canadian banks. It's a very diversified company, with 2,000 branches and offices across 50 countries. This diversification not only protects the company from significant downside if a certain region experiences a recession but could also be a source of growth. Bank of Nova Scotia is also listed as a Canadian Dividend Aristocrat, after having successfully increased its distribution over the past decade. It offers investors a forward dividend yield of 4.34%.

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Date

2025/08/30

Date Created

2022/03/11

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