



Just Starting to Invest? 2 Stocks for Beginners

Description

Canada's primary stock exchange ended the first quarter of 2022 on a very positive note. The TSX had several new highs last month, but the all-time record of 22,087.20 was posted on March 29, 2022. As of this writing, the Index is up 4.51% year to date. There could be fresh records in April if the energy and materials sectors continue their ascent.

The landscape is conducive to investing, notwithstanding the threats of rising inflation and raging war in Eastern Europe. Somehow, the display of resiliency by the TSX is a compelling reason to [invest in Q2 2022](#), even for newbie investors.

For first-time investors, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) and **Mogo** ([TSX:MOGO](#))([NASDAQ:MOGO](#)) are viable choices for [beginners](#). The utility stock can provide steady income streams, while the fintech stock can potentially deliver considerable capital gains.

Defensive stock

Fortis is a sound investment choice for its incredible [dividend-growth streak](#). The low-risk business model of this \$30.33 billion regulated electric and gas utility company is also ideal for risk-averse investors, especially newbies.

Management has increased its dividend for 48 consecutive years and plans to raise the payout by 6% annually through 2025. Currently, the bond-like defensive stock trades at \$62.88 per share and pays a 3.36% dividend. Assuming you use your \$6,000 TFSA limit for 2022 to purchase this utility stock, the money will produce \$168 in tax-free passive income.

The business is easy to understand, as Fortis engages in the delivery of electricity and gas to end-users in 17 jurisdictions. Its customers are in Canada, the United States, and four Caribbean countries. More importantly, the dividend-growth guidance is not lip service.

According to management, the \$20 billion capital plan (2022 to 2026) is highly executable and should support the 6% low-risk rate base growth. Several projects in the pipeline will be complete from 2023 to

2026. By year-end 2026, the rate base would be \$41.6 billion from \$31.1 billion in 2021.

The new capital plan is Fortis's largest to date, and the bulk will go to distribution (33%) and transmission (30%) investments. Company executives, including president and CEO David Hutchens, said customer growth, transmission reliability & capacity enhancements, and clean energy investments are drivers for the rate base increase.

Record revenue growth

Mogo is a cheaper option (\$3.78 per share) for beginners with limited budgets. However, market analysts covering the stock recommend a buy rating. Their price forecasts in 12 months are between \$7 and \$8, or a return potential of 85.2% to 111.6%.

The \$289.9 million financial technology company offers simple digital solutions. They help Canadians, especially the younger folks, take control of their financial health. In 2021, Mogo reported 30% and 70%, respectively, revenue growth in Q4 and full-year 2021 versus Q4 and full-year 2020.

Mogo's founder and CEO David Feller said that last year was an outstanding year for Mogo. He added the record revenue in Q4 2021 showcases the strength and diversification of the business today. According to management, the full launch of MogoTrade will be this quarter.

MogoTrade, Canada's next-gen digital wealth platform, is the centrepiece of Mogo's digital wealth strategy. The company considers the app that will offer commission-free stock trading an important driver of member growth.

Excellent choices

Newbie investors have two excellent choices to test the waters for income and capital growth.

CATEGORY

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2. Stocks for Beginners

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2. NYSE:FTS (Fortis Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:MOGO (Mogo Inc.)

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Date

2025/06/28

Date Created

2022/04/07

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