



Are You a Stock Market Novice? Here Are 3 Stocks You Should Buy Today

Description

So, you've decided to start [investing on your own](#). Congrats! That's a very big step that you've just taken towards becoming financially independent. Which stocks should you hold in your portfolio? As a new investor, I believe you should focus on companies that have businesses that are very easy to follow. This will allow you to spend less time figuring out what a certain company is doing on a day-to-day basis and more time looking for new stocks to add to your portfolio.

In this article, I'll discuss three stocks that you should buy today if you're a stock market novice.

Buy one of the railway companies

Buying one of the Canadian railway companies would be a great place to start. In Canada, the railway industry is dominated by a large duopoly. Both companies operate rail networks which span from coast to coast. If I had to choose, I would suggest an investment in **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). Both of the Canadian railway companies are appealing to me. However, Canadian National's long history of increasing its dividend gives it the edge, in my opinion.

Listed as a Canadian Dividend Aristocrat, Canadian National has increased its dividend in each of the past 25 years. Over the past five years, Canadian National's dividend has grown at a CAGR of 12.2%. This means that an investor's source of passive income, coming from this stock, would have grown faster than the inflation rate by a wide margin over that period. A steady performer, Canadian National stock has gained 59% over the past five years before accounting for dividends.

This financial company would be a great hold

The Canadian financial sector contains many excellent stocks for beginners. In this article, I'll mention **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). It operates a portfolio with about \$690 billion of assets under management. That makes Brookfield one of the largest alternative asset management firms in the world. Focusing on real assets, Brookfield has exposure to the infrastructure, real estate, renewable utility, and private equity industries.

Another excellent dividend stock, Brookfield has increased its dividend in each of the past nine years. Although this year hasn't been the greatest for Brookfield stock, historically, this stock has beaten the market by a very wide margin. Over the past five years, Brookfield stock has gained 113% even before dividends are included.

Look into utility companies

Finally, novice investors should consider buying shares of a utility company. These companies don't tend to see massive business downturns during recessions. As such, investors may be able to use these stocks as a way to provide stability to their portfolios during periods of market uncertainty. One company worth mentioning is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). It provides renewable electricity and regulated utilities to customers across North America.

Algonquin has increased [its dividend](#) in each of the past 10 years, making it another excellent stock in that regard. This company also offers a forward dividend yield of 4.37%, which could make it even more appealing to investors. Over the past five years, Algonquin stock has gained 52.6%, greatly outpacing the broader market.

CATEGORY

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2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BN (Brookfield Corporation)
3. NYSE:CNI (Canadian National Railway Company)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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