



3 Top Canadian Beginner Stocks for 2022

Description

April 2022 is a [good time to invest](#), especially for beginners. The Bank of Canada increased its key interest rate by 50 basis points a few days ago but forecast the economy to grow 4.25% this year. Economists predict growth in Q2 2022 to be stronger than Q1 2022, despite increasing prices.

Meanwhile, [newbie investors](#) with Tax-Free Savings Accounts (TFSA) should consider saving and investing for tax-free money growth. A big bank stock, an oil major, and an undervalued tech name are beginner stocks. Besides the potential capital gains in one year, you'd have recurring income streams from dividends.

Expanding U.S. footprint

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)), Canada's second-largest lender, will soon become the sixth-largest bank in the United States. As early as Q3 fiscal 2021, the \$170.2 billion bank made known its intention to further [expand across the border](#).

On February 28, 2022, TD announced the plan to acquire Memphis, Tennessee-based First Horizon Bank for US\$13.4 billion. Once complete, it would be the highest exposure of a Canadian bank in America. First Horizon's commercial and specialty banking segments will add significant scale to TD's footprint across the border.

Bharat Masrani, TD's president and CEO, said it's a terrific strategic fit. It will provide an immediate presence and scale in highly attractive adjacent markets in the United States. Buy the big bank stock while it trades at less than \$100. At \$93.85 per share, the dividend yield is 3.76%.

Market-beating stock

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) outperforms the energy sector (+43.73%) and the TSX (+2.90%) with its 55.46% year-to-date gain. At \$82.26 per share, the trailing one-year price return is 123.17%. Likewise, the dividend yield (3.68%) is decent. Newbies can take advantage and

scoop a market-beating stock this month.

This \$95.63 billion independent energy company explores, develops, and produces oil and natural gas. CNR's competitive advantage is its diversified portfolio that consists of light and heavy crude oil, natural gas, bitumen, and synthetic crude oil (SCO).

Because of surging profits due to the commodity boom, the company raised its dividends by 28% last month. CNR's CFO, Mark Stainthorpe, said regarding dividends, "We look at that to make sure that once a dividend is declared, we're not having to take it back. That's why you see a steady increase, predictable increases year after year."

Rare gem

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) is down 12.15% year to date, although analysts covering the stock recommend a buy rating. Their 12-month average price target is \$16.77, or a 62% climb from its current share price of \$10.35. Since this tech stock pays a 3.14% dividend, the overall return to a beginner should be higher.

The \$522.3 million provider of cloud-based endpoint visibility and control platform benefits from the continuing global shift to hybrid and remote work. Its president and CEO, Christy Wyatt, said Absolute is well positioned to deliver profitable growth, as it's the only firm with an endpoint security solution for enterprises.

Coming soon

Young Canadians will also have an opportunity to save for their first home, as the federal government prepares to spend \$10.14 billion on new homes to correct the housing market imbalance. The creation of a Tax-Free First-Home Savings Account is on the table and should be available soon.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:ABST (Absolute Software)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:TD (The Toronto-Dominion Bank)

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