



3 Great TSX Stocks Ideal for Beginner Investors

Description

I usually recommend [exchange-traded funds \(ETFs\)](#) for new investors, at least until they get a better sense of their risk tolerance. Navigating through market volatility is much easier when your main holding is a diversified portfolio of thousands of stocks and bonds from around the world.

That being said, the [TSX](#) is full of low-beta, dividend paying, [blue-chip](#) stocks that are great long-term buy-and-holds for newer investors. These companies have easy to understand business models and widely used products and services, and they boast excellent financial ratios.

Let's take a look at my top picks today!

TC Energy

With a market cap of \$68.17 billion, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is the second-largest company in the Canadian energy sector. The company builds and operates a 93,400 km network of natural gas pipelines across Canada, providing much-needed energy infrastructure.

Like many other Canadian energy sector companies, TC Energy pays a respectable dividend, with a current yield of 5.02% and five-year average yield of 4.84%. More important, though, is TC Energy's history of consistent dividend increases, averaging an annual increase of 9.5% since 2015.

The company has been diversifying strongly in recent years, with interests in seven power-generation facilities (natural gas and nuclear) in Alberta, Ontario, Québec, and New Brunswick, and operation of 118 billion cubic feet of non-regulated natural gas storage capacity in Alberta.

Canadian Utilities

The tightly regulated TSX utilities sector is a great place to find low-volatility, high-dividend stock picks, and **Canadian Utilities** ([TSX:CU](#)) is no exception. The stock currently has a beta of 0.56%, making it about half as volatile as the overall market and a stable pick for new investors.

Canadian Utilities is also a Dividend Aristocrat, with +20 years of consecutive uninterrupted dividend increases and payments. This makes it a great pick for defensive or dividend-growth investors. The current dividend yield is 4.89%, with the five-year average yield at 4.59%.

Finally, Canadian Utilities also has a low correlation to the U.S. stock market at just 0.13. If you prefer your investments to not fluctuate as much, or be influenced by U.S. stocks, then CU will be a great stock to add to a portfolio as ballast. Reinvest the dividends, and you'll be surprised how fast it grows.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) provides a range of telecommunications and information technology products and services in Canada. Its products and services are diverse, including wired and wireless internet, cable, security, home automation, health care, agriculture, and cloud-based products.

With a beta of 0.54, Telus stock is around half as volatile as the overall market, making it another great low-volatility pick to anchor your portfolio with. In addition, Telus also pays a decent dividend of around \$1.31 per share for a yield of 3.93% and a five-year average yield of 4.46%.

Telus also has some strong fundamentals to back future growth prospects. The company's revenues, earnings, and dividend payouts have increased consistently over the last decade. Telus consistently diversifies into alternative products and services — notably, healthcare and home security recently.

CATEGORY

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TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. NYSE:TU (TELUS)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:T (TELUS)
5. TSX:TRP (TC Energy Corporation)

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