# 3 Top TSX Stocks Perfect 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!

## Enbridge

First up on the list is Canadian energy giant **Enbridge** (TSX:ENB)(NYSE:ENB). Enbridge is the largest energy infrastructure company in North America, serving 3.7 million customers in Canada and the United States. The company is known to secure +20-year-long contracts, giving them a strong competitive moat.

Enbridge has been a mainstay in many dividend investor portfolios, paying a historically high yield. Currently, the dividend rate sits at $3.44 per share for a forward annual yield of 5.86%. Over the last five years, Enbridge has paid an average yield of 6.22%.

Currently, Enbridge is up 12.54% year to date, beating the TSX handily thanks to surging energy prices. As inflation picks up, Enbridge might be a good bet to ride the energy sector's resurgence. Rising commodity prices will only help Enbridge's share price further.

## Fortis

**Fortis** (TSX:FTS)(NYSE:FTS) is Canada's leading utilities company with an unbroken 48-year streak of consecutive dividend payouts and increases (Dividend Aristocrat). This makes it another favourite for Canadian dividend-growth investors, with a current yield of 3.29%.

Fortis is an excellent long-term holding. It operates in the tightly regulated, monopolistic utilities sector and thus faces little competition or disruption. This gives it a great operating margin of 26.61% and profit margin of 13.70% — excellent fundamentals for the utilities sector.

Fortis stock also has very low volatility, with a beta of just 0.12 compared to the market at one. This makes it a great defensive pick, especially during market corrections or a prolonged bear market. Over time, the low volatility of Fortis coupled with its dividends may help you beat the market.

## BCE

**BCE** (TSX:BCE)(NYSE:BCE) is one of Canada's largest telecommunications and media companies, providing wireless, wireline, and media services. The company currently pays the highest dividend among the TSX telecom sector at $3.68 per share for a yield of 4.80%.

Like Fortis, BCE also has a low beta of just 0.34%, making it an excellent low-volatility pick for a beginner investor. Holding BCE will help dampen your portfolio's stock fluctuations, giving you a better chance of staying the course and not panic-selling. The dividends also provide protection in a sideways market.



BCE also has a strong economic moat. Currently, it only has two other major competitors in its industry. Having established a long history of competent management and service quality, it would be difficult for an upstart to disrupt the position BCE finds itself in. This gives it good longevity as a stock to hold.

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