



New to Investing? Buy These 3 Blue-Chip Stocks for Your Portfolio

Description

Taking control of your investments is a great first step towards achieving financial independence. However, many new investors find it difficult to construct their first portfolio. To be fair, the average person doesn't really get many opportunities to learn about the stock market. Fortunately, there are many resources, like The Motley Fool, to help you get on your way.

In my opinion, it's important that new investors stick to [blue-chip stocks](#). These are companies that tend to be mature and established in their respective industries. Generally, blue-chip stocks tend to be less volatile than more speculative stocks can be. New investors should also consider sticking to companies they're familiar with, as it could be easier to keep up with developments concerning its business.

Start with this blue-chip stock

New investors should consider buying **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) in their newly constructed portfolios. Fortis provides regulated gas and electric utilities to customers across Canada, the United States, and the Caribbean. Because of the nature of its business, Fortis receives a very steady source of income each month. That helps make its business predictable and may be a contributing factor to its lack of volatility.

Fortis is highly respected among experienced investors because of its amazing ability to pay a dividend to shareholders. As of this writing, Fortis holds the second-longest [dividend-growth streak](#) in Canada (47 years). To put that into perspective, Fortis has been able to continue increasing its dividend through the Great Recession and the COVID-19 pandemic. Very few Canadian companies are able to say the same. If you're in need of just one stock to complete your new portfolio, I would start here.

Look at companies you recognize

As mentioned previously, new investors could turn to companies they're already familiar with. For instance, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is a member of the Big Five banks. As a

result, many Canadians should be familiar with this company. It's Canada's third-largest bank in terms of assets, revenue, and market cap. What separates Bank of Nova Scotia from its peers, in my opinion, is its focus on its international business. Nearly a third of its earnings come from outside Canada.

Another company that new investors should consider is **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). It is the largest railway company in Canada. With nearly 33,000 km of track spanning from British Columbia to Nova Scotia, many Canadians should be familiar with this company. Currently, there isn't a viable alternative to transport large amounts of goods across long distances, if not via rail. That's what makes investing in a railway company so attractive.

Both the Bank of Nova Scotia and Canadian National share two characteristics that new investors should take note of. First, their respective businesses are very easy to understand. Bank of Nova Scotia takes care of your financial needs, whereas Canadian National transports materials and goods across the country. Second, these two stocks are excellent dividend payers. Bank of Nova Scotia has been paying a dividend for 189 consecutive years, whereas Canadian National has increased its dividend for 25 straight years.

If these two companies don't interest you, consider looking for companies that also share those two key characteristics. However, if you take a deeper look, I'm certain you'll find the Bank of Nova Scotia and Canadian National very attractive as well.

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2. NYSE:CNI (Canadian National Railway Company)
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