



3 Stocks You Should Buy if You're Starting a Portfolio Today

Description

[First-time investors](#) are getting into the market at a very interesting time. Stocks across the market are falling what seems like day after day. While that can seem very unnerving, it's actually a great time to buy stocks. Market downturns give investors an opportunity to buy shares at a massive discount. Of course, it's imperative that investors stick to established companies. Buying shares of speculative stocks could lead to an overall negative experience.

In this article, I'll discuss three stocks you should buy if you're starting a portfolio today.

Buy one of the banks

Canada's banking industry hosts some of the most established companies in the country. In fact, three of the five largest companies in Canada (by market cap) are banks. The reason these companies have managed to become so successful is because of their long tenure as industry leaders. The Big Five have been in business for over 100 years (or, in the case of **Bank of Montreal**, more than 200 years). This unique positioning within the industry has created a large moat for these companies. That makes it difficult for smaller banks to compete in earnest with these companies.

Of that group of banks, my top pick is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). What separates it from its peers, in my opinion, is its focus on international growth. In 2021, nearly a third of its earnings came from sources outside Canada. A large portion of those international earnings came from the Pacific Alliance. This is a region which economists project could grow at a much faster rate than Canada's economy over the coming years.

Choose this other financial company

Canada's banks aren't the only option that investors have when it comes to financial companies. In fact, if you were to look at a list of the most prominent companies in the country, you'd find that the financial sector represents a large portion of that group. **Brookfield Asset Management** ([TSX:BAM.A](#))([NYSE:BAM](#)) is another financial company that deserves the attention of investors. It operates a

portfolio with about \$690 billion of assets under management. That makes it one of the largest alternative asset management firms in the world.

Through its subsidiaries, Brookfield has exposure to the infrastructure, real estate, renewable energy, and private equity markets. One of the more exciting projects that Brookfield has announced in recent times is its plan to develop a large-scale [sustainable community](#) in the United States. That project would be conducted alongside **Tesla**, which has a lot of expertise in sustainability.

Look at Dividend Aristocrats

Finally, looking through the list of Dividend Aristocrats would be a good idea for new investors. Generally speaking, dividend companies are more established and *safer* investments than non-dividend paying companies. This is because these companies are investing less into their business and have extra cash on hand to distribute to shareholders.

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is a dividend stock that investors should give a serious look. It has managed to increase its dividend distribution in each of the past 25 years. That makes it one of only 11 Canadian companies to reach that milestone. With nearly 33,000 km of track under operation, Canadian National is one of the largest railway companies in North America.

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1. Investing
2. Stocks for Beginners

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