



## Idle Cash Earns \$0 Until You Start Investing

### Description

Not everyone can stomach investment risks, especially in the stock market. While cash is king and offers instant liquidity, you can lose more because of inflation. With prices rising at a rapid pace today, idle cash will not increase in value. Hence, it's a compelling reason to [start investing](#) and turn your opportunity loss into income.

The TSX is the supermarket of stocks not only for seasoned investors but also for newbies. Moreover, [stocks for beginners](#) are plenty. Your earnings from cash will increase from \$0 to hundreds of dollars once you put the money to work.

Novice investors can wrong with market heavyweights like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) and **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), or CNR. Either one or both can be your inflation hedges or safety nets regardless of the market environment. You can also hold them in an RRSP or TFSA to [build retirement wealth](#).

### Buy and never sell

Even if TD keeps its current dividend yield (3.87%) constant, risk-averse investors will not ditch the big bank stock for another. Canada's second-largest bank is financially stable and can endure the worst recession or bear market. More importantly, the dividend payments will continue as it had in the last 660 quarters (165 years).

John Aiken, a veteran analyst and research head at Barclays, predicted dividend increases from Canadian banks, including TD, in Q2 fiscal 2022. He said, "On the capital front, with no change to dividend policies in Q1 fiscal 2022, we expect a bonanza of dividend hikes, while low share prices could drive more share buybacks in the quarter."

TD is a no-brainer buy, whether Aiken's crystal ball is correct or not. The \$165.13 billion lender will soon become the sixth-largest financial institution in America. On February 28, 2022, the Canadian bank announced a definitive agreement to acquire First Horizon in the United States. Bharat Masrani, TD Group's president and CEO expects the deal to close by late November this year.

According to TD, the US\$13.4 billion deal is a compelling transaction because owning the premier regional bank will accelerate its growth strategy across the border. First Horizon holds leadership positions in Tennessee and Louisiana and has strong presence in Florida, Virginia, the Carolinas, and other affluent markets.

## World-class asset base

CNR is a top-tier energy stock due to its world-class asset base. Its president Tim McKay said, "Our unique, diverse, long-life, low-decline asset base with large, low-risk, high-value reserves is a differentiating factor that makes Canadian Natural a truly unique energy company."

The \$85.77 billion senior oil and natural gas production company continues operations in core areas in Western Canada and the U.K. (a portion of the North Sea and Offshore Africa). In Q1 2022, the earnings of \$3.1 billion were 124.6% higher compared to Q1 2021.

CNR's 28% hike in quarterly dividend on March 22, 2022, marks 22 consecutive years of dividend increases. At \$76.04 per share, the energy stock is up 43.7% year to date. Investors also enjoy a 3.94% dividend.

## Negative value

Keep in mind that the value of cash is always negative because of inflation. If you have money that you won't need anytime soon, purchase income-producing assets like dividend stocks.

### CATEGORY

1. Investing
2. Stocks for Beginners

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

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## Date

2025/08/20

## Date Created

2022/05/15

## Author

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