



Is it Dangerous for First-Timers to Invest in May 2022?

Description

Canada's primary stock market made an incredible comeback in 2021 following the pandemic scare in the previous year. The **TSX** recorded new highs to start this year, peaking at 22,087.20 on March 29, 2022. However, the index is currently under extreme pressure from supply chain disruptions, rapidly rising inflation, and tightening monetary policy by the Bank of Canada.

The stock market appears unstable, but it displays resiliency amid the market turbulence. [First-time investors](#) can still proceed with their plans to build a portfolio in 2022 or earn passive income to counter inflation. But if you have the investment appetite, buying and holding is the [winning strategy](#) today.

[Blue-chip stocks](#) like **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) will not disappoint investors, regardless of age or stock market experience. The former is a dividend pioneer, while the latter is a Dividend Aristocrat. Owning one or both should give you peace of mind.

Dividend pioneer

BMO is Canada's oldest bank and the first company ever to share a portion of its profits with shareholders through dividends. The dividend track record (193 years) is approaching two centuries. In the sector's dividend bonanza in late 2021, the \$88.21 billion lender announced the most significant percentage increase in dividends (25%) among the Big Five banks.

As of this writing, BMO trades at a slight discount (-1.23% year to date). At \$132.01 per share, the dividend offer is 4.03%. There's room for dividend growth, as the payout ratio is only 34.75%. In all of 45.49 years, the total return is 28,928.29% (12.15% CAGR).

Based on market analysts' forecasts, the average return potential in one year is 24.3%. The forecast could hold true as BMO moves closer to a mega-merger.

BMO will expand its retail footprint in the U.S. once it obtains regulatory approval to acquire the Bank of the West. Besides providing a gateway to the affluent market in California, the US\$16.3 billion deal

will make BMO the 13th-largest bank in America.

Darryl White, BMO's CEO, said, "This acquisition will add meaningful scale, expansion in attractive markets, and capabilities that will enable us to drive greater growth, returns and efficiencies."

Dividend Aristocrat

Enbridge's dividend-growth streak of 27 years is the compelling reason to invest in the top-tier energy stock. Also, at \$56.56 per share, the dividend yield is 6.08%. Current investors enjoy an 18.08% year-to-date gain on top of the mouth-watering payout.

The Q1 2022 financial results reflect the business stability of this \$100 billion energy infrastructure company. In the three months ended March 31, 2022, adjusted earnings increased 6.25% to \$1.7 billion versus Q1 2021. Notably, cash from operating activities grew 11.54% to \$2.9 billion year over year.

Al Monaco, Enbridge's president and CEO, said, "Our diversified asset footprint, integrated North American transportation systems, access to tide water, and established renewable power assets and low-carbon execution capabilities, provide us a competitive advantage."

He added, "The \$14 billion of capital we placed into service in 2021, including the Ingleside acquisition, is generating incremental EBITDA and distributable cash flow growth." Monaco is confident that Enbridge is on target to achieve its full year financial guidance.

Buy and forget

BMO and Enbridge are excellent stocks for beginners. Both are buy-and-forget assets, too. Accumulate more shares if you want your capital to compound further over time.

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2. Stocks for Beginners

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