



3 Canadian Stocks Perfect for Beginners

Description

Investors who are just starting out are facing a market that has been plagued by volatility in the spring. Moreover, they must contend with aggressive rate tightening, high inflation, and geopolitical uncertainty. In this environment, it is a good idea to target Canadian stocks that have proven reliable for not just years but decades. Today, I want to zero in on three equities beginners can trust as we approach the summer season.

Beginners should not hesitate to add these profit machines

TD Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest Canadian bank stock by market cap. Moreover, it boasts the largest footprint of its peers in the United States. Shares of this top Canadian stock have dropped 2.4% in 2022 as of close on May 30. The stock is up 11% in the year-over-year period.

This top bank released its second-quarter 2022 results on May 26. It reported adjusted net income of \$3.71 billion in Q2 2022 — up marginally from adjusted earnings of \$3.77 billion. That said, its growth slowed significantly compared to the first quarter. Canadian and United States Retail Banking segments delivered net income growth of 2% and 4%, respectively, compared to the prior year. TD Bank will face rising challenges, as policymakers push forward with interest rate hikes.

Shares of this Canadian stock possess a favourable price-to-earnings (P/E) ratio of 12. It last declared a quarterly dividend of \$0.89 per share. That represents a 3.6% yield. Beginners can count on TD Bank for capital growth and solid income for the long haul.

Here's a top Canadian stock that offers growth and big income

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a heavyweight Canadian stock that is the largest energy infrastructure company on the continent. Now is a great time for beginners to jump on energy stocks as oil and gas prices have soared in 2022. Shares of Enbridge have increased 19% so far this year. The stock is up 29% compared to the same period in 2021.

The company released its first-quarter 2022 results on May 6. It posted adjusted earnings of \$1.7 billion, or \$0.84 per common share — up from \$1.6 billion, or \$0.81 per common share, in the previous year. Meanwhile, adjusted EBITDA rose to \$4.1 billion compared to \$3.7 billion in the first quarter of 2021. It reaffirmed its full-year adjusted EBITDA and distributable cash flow (DCF) rate for the full year.

This Canadian stock last had a solid P/E ratio of 20. Enbridge currently offers a quarterly dividend of \$0.86 per share, which represents a very strong 5.8% yield.

One future Dividend King that beginners should target today

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is the third stock I'd suggest for beginners at the end of May. This Canadian stock has delivered 47 consecutive years of dividend growth. It is on track to achieving 50 straight years of annual dividend increases, which would make it Canada's first Dividend King. Shares of Fortis are up 4.9% so far in 2022.

In Q1 2022, adjusted net earnings per share rose to \$0.78 over \$0.77 in the previous year. This Canadian stock is trading in favourable value territory compared to its industry peers. It currently offers a quarterly dividend of \$0.535 per share. This represents a 3.3% yield.

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