3 Stocks New Investors Should Buy Today

Description

Developing a solid understanding of the stock market is essential if you hope to achieve financial independence. With that said, today is an excellent day to start investing as there are many excellent companies trading at very attractive discounts. If you're a newer investor, I would suggest sticking to reliable dividend companies for the time being. These stocks tend to be less volatile, allowing you to stomach day-to-day changes in value.

In this article, I'll discuss three stocks that new investors should buy today.

Buy this bank

For the past few months, I've been writing about how interest rate hikes should be beneficial to financial institutions. Historically, banks have seen a widening in profit margins as interest rates increase. Now, with banks starting to report Q2 earnings, that trend is proving to be true again. On May 25, **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) reported positive results during its Q2 earnings call.

The company reported a 12% year-over-year increase in its net income. Looking at its international business, the company saw even stronger growth. Bank of Nova Scotia reported a 50% year-over-year increase in its net income for its international business segment. This supports the theses that suggest Bank of Nova Scotia's international business could drive its growth in the coming years.

Investors should consider this company

Canadian National Railway (TSX:CNR)(NYSE:CNI) is another stock that new investors should consider buy today. The thesis behind this is that there isn't any viable way of transporting large amounts of goods over long distances if not via rail. In addition, Canadian National is the largest railway company in Canada, operating about 33,000km of track. Its rail network spans from British Columbia to Nova Scotia and as far south as Louisiana.

Known as a Canadian Dividend Aristocrat, Canadian National is an excellent dividend payer. It has managed to increase its dividend distribution in each of the past 25 years. That's very impressive considering many great dividend companies needed to halt dividend increases at some point over the past two decades. Despite all those increases, Canadian National's payout ratio is still relatively low (37%). That suggests that the company could continue to comfortably increase its distribution over the coming years.

One of the best dividend stocks around

When it comes to dividend investing, few companies are as impressive as **Fortis** (TSX:FTS)(NYSE:FTS) and new investors should be made aware of this company. Fortis holds the second-longest active dividend-growth streak in Canada. It has managed to increase its dividend distribution in each of the past 47 years. That means Fortis continued to increase its dividend, despite having to endure the Great Recession and the COVID-19 pandemic.

The main reason why Fortis has been able to do that may be the nature of its business. It's a provider of regulated gas and electric utilities. That means that it can remain in high demand regardless of what the economic situation looks like. In addition, utilities tend to be paid monthly. That provides Fortis with a very predictable and stable source of revenue, making it much easier to plan around its dividend distribution.

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:FTS (Fortis Inc.)
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