



Newcomers: Your Stock Choices Are Keys to Success in 2022 and Beyond

Description

The **TSX** has nearly recovered from the global pandemic but faces a new challenge in runaway inflation. Also, a correction seems to have started after the Index lost 532.2 points, or 2.63%, on June 13, 2022. While the market hasn't reached its low point yet, the downtrend opens buying opportunities.

However, for [newcomers](#), stock choices are critical to achieving financial success in 2022 and beyond. Buying low and selling high is the rule of thumb for those chasing after quick gains. But if you're thinking long term or staying in the market to build wealth, don't pick just any stock.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) are prime stocks for beginners. Because of their lengthy dividend track records and price appreciation through the years, you can expect positive returns and recurring income streams for decades. More importantly, both stocks will not disappoint regardless of the economic environment.

An acquisition to fuel growth

Canada's Big Six banks, including BMO, raised their provision for credit losses (PCLs) to unprecedented levels in 2020. The lenders anticipated a deterioration in the credit quality of their loan portfolios, but it didn't happen. In late 2021, it rained dividends in the banking sector.

BMO, the country's oldest bank and third-largest lender, raised its dividend by 25%. It was the highest percentage increase among the banking giants during the dividend bonanza. Management announced a 5% increase following the earnings release for Q2 fiscal 2022. At the current share price of \$129.30, you can partake of the 4.23% dividend.

Growth is on the horizon, as BMO awaits regulatory approvals to acquire the Bank of the West in the United States. The Federal Reserve Board and the Office of the Comptroller of the Currency (OCC) has announced a joint public (virtual) meeting on July 14, 2022, for the proposed business combination.

The US\$16.3 billion deal will extend further BMO's banking presence across the border. Darryl White, CEO of BMO Financial Group, said, "This acquisition will add meaningful scale, expansion in attractive

markets, and capabilities that will enable us to drive greater growth, returns and efficiencies.”

Since the Bank of the West operates in large and fastest growing markets in the U.S., its complementary commercial and retail banking platform should fuel the Canadian bank’s growth.

Generous Dividend Aristocrat

BCE is a Dividend Aristocrat and generous dividend payer. Its dividend-growth streak is 13 years, while the dividend yield is 5.48%. Like BMO, Canada’s largest telco has been paying dividends for more than a century. At \$66.01 per share, current investors are up 1.63% year to date. In 46.48 years, the total return is 77,281.72% (15.39% CAGR).

The \$60.18 billion telecommunications and media company can endure economic downturns because the products and services it provides are essential needs. In the last three years, BCE has been generating billions of dollars in revenue and net income.

In Q1 2022, BCE delivered its best quarterly organic wireless service revenue growth rate in 11 years. Its net earnings for the quarter reached \$934 million, which represents a 36% increase from Q1 2021.

Income providers

BMO and BCE are dividend heavyweights and reliable income providers. Newcomers will not regret buying and holding them for years, if not forever.

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