2 Safe TSX Stocks for Beginners to Buy in a Market Correction

Description

There's no question that it's been a tough past few months for investors. The Canadian stock market has suffered two 10% pullbacks in as many months. The **S&P/TSX Composite Index** is currently trading at a loss of just about 10% on the year.

But despite the recent market correction and all of the volatility, now is a great time to be investing. That is, as long as you don't plan on selling anytime soon. If you've got a long-term time horizon, I'd argue that now is an excellent time to invest. There are plenty of high-quality TSX stocks trading at prices that we have not seen in years.

Investing in dependable companies

Understandably, some investors may be looking for more conservative stocks to invest in today. Growth stocks have taken the brunt of selling over the past few months, with many of those companies currently trading more than 50% below 52-week highs, with some even down 70% from all-time highs.

Growth companies aside, there are lots of dependable TSX stocks trading at opportunistic discounts right now. I've reviewed two picks that any long-term Canadian investor would be wise to have on their watch list today.

Fortis

When it comes to dependability, utility stocks are one of investors' best bets. The dependable nature of the utility business often leads to very low levels of volatility. One reason being that regardless of the condition of the economy, demand levels tend to remain fairly stable for utility companies.

At a market cap of nearly $30 billion, **Fortis** (TSX:FTS)(NYSE:FTS) is a leading gas and electric utility provider in Canada. The company also has a growing presence in the U.S., too.

Despite the Canadian market being down 10% on the year, shares of Fortis are only down about 3%.

Going back five years, the utility company's returns are just about on par with the S&P/TSX Composite Index.

Once you factor in dividends, though, Fortis has been a market-beating stock since mid-2017.

At today's price, the company's annual dividend of $2.11 per share yields just over 3.5%.

There's never a bad time to be investing in a company like this. And especially if you're banking on more volatility in the upcoming months, which I'm betting on, now would be a wise time to start a position in a dependable utility stock like Fortis.

Toronto-Dominion Bank

Perhaps slightly more volatile than utility stocks, but still very dependable over the long term, are the Canadian banks.

With all the talk surrounding interest rate hikes as of late, it's not surprising to see the major banks be hit with some volatility. Still, the Big Five are some of the most reliable companies on the TSX to invest in.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is the second-largest of the Big Five. The bank is making up ground on the number one position, though, now trailing **RBC** in a market cap size by less than $20 billion.

Dependability and a 4% dividend yield are not the main reasons why TD Bank is one of my top picks among the Big Five. Instead, it's the bank's presence in the United States. Close to one-third of the bank's net income is being driven by its U.S. operations and there is still plenty of room for expansion in the coming years.

TD Bank is a perfect buy today for any portfolio that could benefit from a safe investment and that's in need of exposure to non-Canadian economies.

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