



3 Stocks to Buy if You Don't Know Where to Start Investing

Description

Starting your investment journey can be a bit scary, especially if you don't understand the market or do not have the requisite financial knowledge. And even though it's a good idea to learn as much about investing as you can, delaying your investing journey is not a smart thing to do.

The earlier you start, the better. And the more you wait, the more your savings will suffer from inflation, and you will lose a lot of "time value."

So, if you don't know much about investing and can't figure out where to start, it's usually a good idea to stick to large-cap, blue-chip stocks. They usually offer reliable/predictable returns and are generally considered safe long-term investments. And there are three that might be the perfect starting point for most novice investors.

A banking giant

The Canadian banking sector is one of the safest in the world, thanks mostly to its stringent governance. So, no matter which one of the Big Six banks you pick, you will likely see decent returns in the long term. Still, some choices are better than others, like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)), the second-largest bank in Canada (by market cap) and one of the most American banks in the country.

It tops the charts in many categories, and even the market-capitalization difference might shrink in the coming years.

Toronto-Dominion offers a healthy combination of dividends and capital-appreciation potential. It has seen price growth of 111% in the last 10 years and is currently offering a juicy 4.22% yield. It's a sustainable level of growth, and if it continues on this path for the next three or four decades, you can build a sizeable nest egg with this investment alone.

A railway giant

The railway industry in Canada is highly consolidated. There are only two major names in the industry, and the larger one (by market cap), **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)), is a compelling choice for a number of reasons. The first is its reach. It has an impressive network of railroads and connects three major North American coasts.

This makes it an important link in the regional supply chain, which might remain irreplaceable for decades. It also has a large trucking fleet, which complements and works alongside its railway business.

It's a healthy business with just one serious competitor, and its return potential is quite impressive, but mostly from a capital-appreciation perspective. In the last 10 years, the stock rose about 236% and is currently offering a 2% yield, which is quite decent considering the usual number.

An asset management company

Brookfield Asset Management ([TSX:BAM.A](#))([NYSE:BAM](#)) is one of the largest blue-chip companies in Canada. It has about US\$725 billion in assets, which are spread out over 30 countries. The company also has two subsidiaries, which are publicly traded companies in their own right, focused on infrastructure and renewables.

Brookfield is a safe bet due to its assets, geographic diversity, and stock performance over the years. It has been a consistent grower for well over two decades, even though it changed course after the Great Depression and, more recently, after the 2020 crash.

But if you plan on keeping this company in your portfolio for decades, the overall returns are likely to be quite healthy. Its price growth in the last 10 years has been over 280%.

Foolish takeaway

The three blue-chip, [large-cap stocks](#) are good holdings for both new and seasoned investors alike. They offer reliable capital-appreciation potential, growing dividends, and resilience in harsh market conditions. The key is to not be afraid of market-driven dips and keep holding these giants long term.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BN (Brookfield)

5. TSX:CNR (Canadian National Railway Company)
6. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Investing
2. Stocks for Beginners

Date

2025/07/01

Date Created

2022/07/09

Author

adamothonman

default watermark

default watermark