



New to Investing? Here Are 3 Stocks I Bought as a Beginner

Description

Do you want to start investing but feel uncertain about what to buy?

If so, know that uncertainty is a normal feeling to experience when you're just getting started on your investing journey. The universe of stocks includes thousands of individual names. How are you supposed to narrow the list down to just a few?

To cut a long story short: you don't. The best approach for most people is not to buy individual stocks but to [hold index funds](#) that invest in the entire market. This strategy has been shown to outperform 90% of active fund managers over the long term.

Still, we all like to have a little fun in life. Index fund investing works, but it's the very definition of boring. Where's the fun in just holding what everybody else does? If done for the sake of intellectual curiosity and not an expectation of superior returns, buying individual stocks can be worth it. In this article, I will reveal three of the first stocks I ever bought and how they have performed.

CN Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is the first stock I bought when I started building up my current portfolio in 2018. I bought about half of my shares in 2018 for \$114, and another half in March 2020 for around \$95. I sold my shares this year. First, I sold the majority at around \$160, and then I sold what was left over at \$150. These sales worked out well for me, because CN stock began going down shortly after I exited.

Still, I think CNR is a good stock. It fell this year mainly because of [a tough winter](#) and sector-wide selling in the shipping industry. Shipping rates fell earlier this year. More recently, they've been going up, but the weakness earlier in the year caused a selloff in transportation stocks. CN's revenue growth in its most recent quarter was positive, but earnings disappointed. If the economy starts growing again, then the company's fortunes should turn around.

TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the second stock I started buying in my current portfolio after CNR. I bought it in 2018 at \$74, and in March 2020 at \$55. Today, the stock goes for \$84. So, I am sitting on gains on both buys. TD has high profitability, a large and growing U.S. retail business, and an upcoming M&A deal.

Later this year, TD is set to close the acquisition of **First Horizon National**, a deal that will make it the sixth-largest bank in the United States. The First Horizons deal will be immediately accretive to TD's earnings, which means that net income will go up in the first quarter after the deal closes. As long as TD can get regulatory approval to close the deal, it will be smooth sailing from here.

Coca Cola

Last but not least, we have **Coca Cola** ([NYSE:KO](#)). This is one of the first stocks I ever bought way back in high school, before I had even begun accumulating my current portfolio. I sold this stock shortly after buying it to pay for university. What I liked about this stock at the time was the fact that it had a strong brand name, many relationships with other companies (e.g., fast-food establishments), a solid dividend yield, and the backing of Warren Buffett.

I recently went back to check on how this stock would have fared if I'd held it to today. It turns out that if I'd kept it, it would have returned 70%, not including dividends — not bad for a stock that everybody on earth already knows about!

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1. Investing
2. Stocks for Beginners

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