



Beginner Investors: 2 Great TSX Stocks to Start With

Description

For those looking to get started in the investment game, it's a rather tricky time to enter the market. That's not to say that now's not a great time to start. Many a famous euphemism goes something along the lines of "the best day to start investing was yesterday. The second-best day to start is today." I think that's true.

However, finding the best stocks to start a portfolio with isn't as easy as it sounds. There are plenty of great TSX stocks out there for investors to choose from. However, much depends on an individual investor's risk tolerance, investing time horizon, and saving or spending goals.

Two companies I think serve the broadest group of potential long-term investors well are **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Let's dive into why these stocks may be great for beginner investors, and experienced investors alike.

Top TSX stocks: Algonquin Power

Algonquin Power is a company I've been pounding the table on in recent years. Much of the thesis behind this take is relatively simple. Algonquin's core utilities-related transmission, distribution, and generation assets are world class and provide consistent cash flows over time.

Algonquin has been able to use these cash flows to reinvest in its core business and return shareholder capital. Currently, the company yields an [impressive 5.5%](#) — much better than existing bond rates. What's even better is that this [dividend](#) yield is paid out in U.S. dollars. Accordingly, with a strong U.S. dollar of late, investors looking for yield have gotten more bang for their buck.

Over time, I think Algonquin has ample room to grow as well. Thus, those looking for consistent total returns may want to consider this stock on weakness from here.

Enbridge

Another top pick of mine, mainly for its dividend yield as well, is Enbridge. This multinational pipeline company offers a yield of 6.4% for investors, which is very enticing. However, it's the company's long-term business model I find most intriguing.

Central to the energy security discussion, Enbridge's network of pipelines has gained much more attention of late. The second-largest natural gas transmission network in North America, and the continent's largest crude oil pipeline operator, Enbridge plays an essential role in making things work in Canada and the U.S.

This shouldn't be dismissed by investors. Indeed, for those taking a long-term view of Canadian assets, Enbridge's portfolio is about as good as it gets.

Additionally, Enbridge has been looking to diversify its holdings of late. In May, the company announced it would be developing a low-carbon ammonia and hydrogen production facility in Texas. This facility will supply low-carbon ammonia and hydrogen to keep up with the demand worldwide. Indeed, this is the sort of growth strategy, I think, makes sense, as it plays into the company's strength.

Bottom line

Both Algonquin and Enbridge are stocks are well suited to investors of all types. Accordingly, for those looking to dip their toes in the water for the first time, these are stocks that I think are worthy of a look.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ENB (Enbridge Inc.)

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