



New to the Stock Market? Buy This 1 Stock Today to Kickstart Your Wealth-Building Journey

Description

The stock market has gone through a roller-coaster ride this year. Despite starting the first quarter of 2022 on a positive note, fears about high inflation, geopolitical tensions, and rising interest rates triggered a massive market selloff in the second quarter. As a result, the **TSX Composite** benchmark fell by 13.8% in Q2. Most [new investors](#) found the recent market selloff horrifying, as they feared losing their years of hard-earned savings.

Key lessons for new investors

It's important for new investors to understand that stock investing is not a short-term game. To build an outstanding amount of wealth, you must always stick to some fundamentally strong stocks and remain invested for the long term. That said, the recent market selloff has made many quality stocks look really undervalued, which presents a rare opportunity for long-term investors to buy such stocks at a discount. Let me quickly highlight one top Canadian stock market beginners can buy right now to kickstart their wealth-building journey.

Pembina Pipeline stock

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is one of the best stocks to consider for stock market beginners in Canada. This Calgary-headquartered [energy](#) company has a market cap of about \$25.6 billion and mainly focuses on energy transportation and midstream services segments across North America. While PPL stock is still maintaining slightly more than 23% year-to-date gains, it has seen about 12% value erosion in the last 30 days, making it look cheap after the dip.

In 2021, its marketing and new venture segment accounted for nearly 65% of Pembina Pipeline's total revenue, while nearly 26% came from its pipeline segment.

Strong financial growth trends

Last year, Pembina's total revenue jumped by 39.1% YoY (year over year) to \$8.6 billion, as the demand and prices for energy products continued to surge. As a result, its adjusted earnings for the year also stood firm at \$1.99 per share — far better than its adjusted net loss of \$0.86 in the previous year.

Its solid financial growth trend continued in the first quarter this year as well, which [encouraged](#) Pembina Pipeline to raise its 2022 EBITDA (earnings before interest, taxes, depreciation, and amortization) guidance. Now, the energy company expects its adjusted EBITDA to be in the range of \$3.45 to \$3.6 billion in the ongoing year compared to its previously guided range of \$3.35 to \$3.55 billion.

While crude oil prices have eased in the last few weeks, the long-term growth outlook for most energy products remains strong, as economies across the globe continue to recover from the pandemic-driven crisis. Stronger prices of energy products should help Pembina Pipeline improve its profitability and drive its stock higher.

Enjoy monthly dividends

Apart from these positive factors, its reliable monthly dividend also makes it a great stock to consider for stock market beginners. In the last five years (excluding 2022), Pembina Pipeline has increased its dividend by 33%.

Even when the company faced COVID-driven, industry-wide challenges, it's raised its annual dividend per share by 6.8% YoY to \$2.52 per share. Currently, its annual dividend yield stands at around 5.4%. These stable dividends could help new investors generate monthly passive income, which they can choose to reinvest in stocks to boost their overall potential return in the long run.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

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. jparashar
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/27

Date Created

2022/07/25

Author

jparashar

default watermark

default watermark