3 Stocks All New Investors Should Buy Today

Description

So, you've decided to start investing in the stock market? Congrats! That's one of the wisest decisions you can make, if achieving financial independence is something you'd like to achieve. As a new investor, it's understandable if you feel a bit overwhelmed with all the information out there. However, starting a stock portfolio can be easier than you think. In this article, I try to break down the essentials when allocating assets to your portfolio. At the same time, I discuss three **TSX** stocks that all new investors should buy today.

Start with this blue-chip stock

When starting an investment portfolio, I believe that new investors should mainly focus on blue-chip stocks. These are companies that are large, well-established, and have a long history of success. One way to find a list of blue-chip Canadian stocks is by consulting the **S&P/TSX 60**. This is a list of 60 large Canadian companies that lead important industries. One blue-chip stock that I think belongs in every new investor's portfolio is **Brookfield Asset Management** (TSX:BAM-A)(NYSE:BAM).

With US$725 billion of assets under management, Brookfield is one of the largest financial asset management firms in the world. Through its subsidiaries, Brookfield has exposure to the insurance, infrastructure, real estate, renewable utility, and private equity markets.

What many people don't talk about enough, when it comes to Brookfield, is how fast this company is growing. Although it's already such a large company, Brookfield's portfolio is still growing at an incredible rate. Over the past four years, its portfolio has grown at a compound annual growth rate (CAGR) of 26%. If Brookfield can continue growing at that pace, its portfolio will surpass the US$1 trillion mark in a couple years.

Add dividend stocks to your portfolio

Once an investor has chosen a couple blue-chip stocks for their portfolio, they should look for dividend stocks to hold long term. Because dividend stocks tend to be less volatile, they can provide some predictability and an income stream. New investors can experience lower day-to-day fluctuations in their portfolio. In addition, dividend stocks have been found to outperform growth stocks during market downturns. Therefore, by holding dividend stocks in your portfolio, you can gain both a bit of stability and market protection.

Fortis (TSX:FTS)(NYSE:FTS) is one of the best dividend stocks around. A provider of regulated gas and electric utilities, Fortis serves more than 3 million customers in Canada, the United States, and the Caribbean.

FTS is listed as a Canadian Dividend Aristocrat, which means that it has increased its dividend distribution in each of the past five years. However, this company far exceeds that minimum requirement. In fact, Fortis holds the second longest active dividend growth streak in Canada (47 years). Over the past five years, the company has increased its dividend at a CAGR of about 6%. Rising dividends will help you stay ahead of inflation.

Buy a stock that can spark a little growth

Finally, I believe that every portfolio should hold at least one or two growth stocks. Of course, as a new investor, you should look at growth stocks with a longer history of success, rather than buying the hot new IPOs. **Shopify** (TSX:SHOP)(NYSE:SHOP) is an example of a growth stock that I think could suit a new investor's portfolio.

Although many investors have started to turn sour on Shopify, I believe it's an opportune time to buy shares. The stock trades more than 70% lower than its all-time highs. Yet, at the same time, the company is in the best shape I've ever seen. Shopify has tons of cash available to fund growth and continues to expand its enterprise partnership network, putting its stores in front of as many consumers as possible.

Shopify's business relies on recurring payments. Over the past five years, its monthly recurring revenue has never decreased from quarter to quarter. In addition, that monthly recurring revenue has grown at a CAGR of 35% over that period.

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2. NYSE:FTS (Fortis Inc.)
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4. TSX:BN (Brookfield)
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Date
2025/08/21
Date Created
2022/08/15
Author
jedlloren