



Got \$2,000? Top 2 Stocks for Beginners to Invest in

Description

If you have spare cash in 2022, you're in a rare position. The average savings rate in Canada has plummeted, as inflation and stagnant wages cut household wealth. But if you have managed to set aside some cash, perhaps \$2,000, this is an ideal environment to put that cash to work.

Since the stock market is beaten down, investors can expect better entry points and higher dividend yields. Any dollar invested today is likely to perform better-than-average over the long term.

Here are the best stocks for beginners you should consider.

Enbridge

One of the best ways to protect your money in this inflationary wave is to bet on the energy sector. There's an ongoing supply crisis for crude oil and natural gas. As the market value of these essential commodities escalates, so does the net income of [energy](#) producers.

However, energy producer stocks are volatile. A deep recession or a geopolitical event could change the price overnight. Instead, I prefer energy infrastructure companies like **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Enbridge operates the largest network of oil and gas pipelines in North America. This year, the network is being expanded, as the U.S. and Canada step up exports to Europe.

That means the company can expect reliable volume for several years ahead. In fact, management expects cash flow to steadily grow at 6% a year. Meanwhile, the stock offers a sizable 6.4% dividend yield.

A \$2,000 investment in Enbridge could deliver \$128 in dividend income. If you hold the investment in a Tax-Free Savings Account (TFSA), this cash flow could also be shielded from taxes. Over time, investors can expect a dividend growth rate *above inflation*. That's what makes Enbridge an ideal stock for beginners.

BCE

Canada's telecommunications sector is another ideal target for first-time investors. That's because the industry is heavily concentrated and controlled by the biggest players. Bell Canada, or **BCE** ([TSX:BCE](#)) ([NYSE:BCE](#)), has a dominant market share. That gives it pricing power which ultimately leads to healthy cash flows.

Over the years, BCE has been a top pick for income seekers. The company's 6% dividend yield is one of the most reliable in the market. Over the past 14 years, the company has expanded its payout by an average of 5% every year.

This trend is likely to continue. BCE is deploying a massive amount of capital to cement its position as Canada's largest telecom company. In 2022, it will complete another \$5 billion investment to expand its fibre optic network to 900,000 clients. Some of the investment will also expand its [5G rollout](#) to more parts of the country.

BCE stays ahead of the competition, which means it can safeguard its cash flow and dividends over the long run. This is why it's an excellent stock for beginners.

CATEGORY

1. Investing

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3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

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