



## 2 Blue-Chip Stocks Every New Canadian Investor Should Own

### Description

The equity market has presented multiple challenges to investors in 2022. With the S&P 500 index down over 20% from all-time highs, and the Nasdaq Composite index losing 33% year to date, investor sentiment remains extremely bearish right now.

But according to experts, generational wealth is created in [bear markets](#), which means it's time to be greedy when others are fearful. If you just starting your investment journey, it makes sense to place your bets on blue-chip Canadian stocks that generate cash flows and profits across business cycles.

Here are two blue-chip stocks Canadian investors should own in 2022.

### A recession-resistant stock

**Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) owns multiple utility operations globally, including electricity transmission and distribution lines in Australia and Brazil, as well as natural gas pipelines in India, North America, and South America.

Additionally, the company owns utility-like infrastructure assets such as railroads, toll roads, LNG (liquified natural gas) exports, midstream assets, cell towers, and data centres.

Brookfield continues to diversify its revenue base and recently signed an agreement with **Intel** to fund a semiconductor fabrication facility in the United States.

While the broader markets have undergone a significant correction, Brookfield's stock is down just 5% from all-time highs. Further, it has returned 531% in dividend-adjusted gains to investors since September 2012. Despite its outsized returns, it currently offers shareholders a tasty dividend yield of 3.5%.

The company's management aims to increase dividends between 5% and 9% annually in the future, offering robust risk-adjusted returns to investors.

In the second quarter (Q2) of 2022, Brookfield Infrastructure increased funds from operations (FFO) by 30% to \$513 million compared to \$394 million in the year-ago period. It attributed the FFO growth to outperformance in the transport segment, inflation-linked tariffs, and acquisitions completed in the last year.

Analysts tracking Brookfield Infrastructure expect shares to rise by 50% in the next 12 months.

## A banking giant

One of the largest banks in North America, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is among the safest stocks [trading on the TSX](#). In recent months, banking stocks, including TD have underperformed the markets due to weak macroeconomic conditions.

Investors are worried rising interest rates and inflation might lower demand for consumer and corporate loans. But ongoing interest rate hikes might allow TD Bank and peers to boost their profit margins as well.

TD stock is trading 22% from all-time highs, increasing its forward yield to 4.14%. Compared to their counterparts south of the border, Canadian banks are much more conservative, allowing them to maintain dividend payouts, even during the financial crash of 2008.

Further, TD Bank has a strong balance sheet and ended the most recent quarter with a tier-one ratio of 14.7%, which is the second highest for any North American bank. The tier-one ratio measures the ability of a bank to tide over adverse economic conditions, and a higher ratio is more favourable.

TD Bank is looking to expand its footprint in the United States with its recently announced acquisitions of **First Horizon Bank** and **Cowen**.

TD Bank stock is trading at a discount of 10% compared to consensus price target estimates. After accounting for its dividend yield, total returns will be closer to 15% in the next year.

If you invest \$10,000 in each of these two blue-chip stocks, you can generate over \$750 in annual dividends.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:TD (The Toronto-Dominion Bank)

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