5 Canadian Stocks for Beginners in February 2023

Description

People invest in stocks to meet short-term and long-term financial goals, build retirement wealth, earn quick bucks, or follow the herd. However, starting is always challenging, because you take chances with your money. If you're new to the stock market and understand the risks, five Canadian stocks are ideal for beginners.

Banking

Every Canadian investor needs an anchor in their stock portfolios. More often than not, the core holding is from the banking sector, which is a bedrock of stability. **Canadian Imperial Bank of Commerce** (TSX:CM) $62.16 is now the cheapest big bank stock. At $62.16 per share (+13.5%), the dividend yield is a juicy 5.47%.

CIBC is the fifth-largest bank in Canada, but like its bigger peers, the dividend track record is more than 100 years. This $55.7 billion bank has been paying a dividend since 1868, and there's no risk of a dividend cut or stoppage. The dividend should be sustainable, considering the 48.95% payout ratio.

Utilities

Algonquin Power & Utilities (TSX:AQN) is a $6.81 billion growth-oriented renewable energy and utility company. Liberty, the operating business, provides regulated electricity, water, and natural gas utility services. The growing portfolio comprises wind, solar, hydro, and thermal power generation facilities with a combined renewable generation capacity of more than four gigawatts.

Utility stocks are considered defensive assets because of their highly regulated assets. As of the writing, AQN is up 13.04% year to date ($9.97 per share) and yields more than 5%.

Energy

Crescent Point Energy (TSX:CPG) rewarded investors with fat capital gains in 2021 (+129%) and 2022 (+47.5%) on top of the decent dividend yield. If you invest today, the share price is $9.70 (+0.41% year to date), while the dividend offer is 4.32%.

The $5.13 billion oil and gas company operates in southern Saskatchewan and central Alberta and produces light oil. Because of its positive outlook this year and in the next five years, management expects to generate significant excess cash flow and returns for shareholders.

Consumer staples

Rogers Sugar ([TSX:RSI](#)) is stable as ever, as the stock hardly experiences wild price swings. The $592.83 million sugar (and maple) producer had stellar fourth-quarter and full-year fiscal 2022. Its president and chief executive officer Mike Walton credits the flexible manufacturing platform for record sugar sales volumes in the fourth quarter.

Management expects stable financial results in the Sugar segment and improved margins in the Maple segment for fiscal 2023. At only $5.68 per share, RSI pays a lucrative 6.29% dividend.

Technology

Tech stocks are on the rebound in 2023. **Converge Technology Solutions** ([TSX:CTS](#)) trades at $6.03 per share, representing a 31.37% appreciation from year-end 2022. The $1.26 billion software-enabled IT & Cloud Solutions provides industry-leading solutions and services to clients across various industries.

The thriving business reflects in the stock performance. In the first three quarters of 2022, Converge's net income soared 196% year over year to $27.45 million.

Steady performers

CIBC, Algonquin, Crescent Point, Rogers Sugar, and Converge belong to different sectors so that you can spread the risks. While all are steady performers, remember than no investment is immune to market headwinds or volatility.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:CTS (Converge Technology Solutions)
4. TSX:RSI (Rogers Sugar Inc.)
5. TSX:VRN (Veren Inc.)

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