3 Blue-Chip Champions for New Investors in 2015

Description

Shareholders in Canadian stocks have endured a volatile year and many new investors are wondering where they should put their money in 2015.

Here are the reasons why I think **TransCanada Corporation** (TSX: TRP)(NYSE: TRP) **Toronto-Dominion Bank** (TSX: TD)(NYSE: TD), and **Canadian National Railway Company** (TSX: CNR)(NYSE: CNI) are solid choices.

TransCanada Corporation

TransCanada's shares have been on a rocky ride in the past few months because there is some concern in the market that a few of the company's expansion projects could be in jeopardy.

TransCanada has $46 billion in projects under development. Investors should keep in mind that these assets are commercially secured by commitments from oil and gas producers. Most of TransCanada's clients are big companies with assets that are already in production.

As oil prices fall, these companies are simply going to pump out more oil to offset lower margins, and that means higher transport demand for TransCanada.

Most of TransCanada's development projects should be in service by 2020, meaning investors should continue to see strong growth in both cash flow and dividends.

TransCanada pays a dividend of $1.92 that yields 3.4%.

Toronto-Dominion Bank

Toronto-Dominion Bank recently reported weaker-than-expected earnings and warned the market that 2015 could be challenging.

Despite some earnings headwinds, Toronto-Dominion is well positioned to endure any trouble in the market. The company has an extremely strong Canadian retail base and the large U.S. operations provide important revenue diversity.

The difficulties in the oil market should help Toronto-Dominion in the next two years. People are spending much less on gasoline and that should translate into more credit card purchases or greater savings and investments.

Toronto-Dominion pays a 3.4% dividend that should continue to rise even if the bank is heading into a period of slower growth.

Canadian National Railway Company

Canadian National Railway continues to grow its energy, grain, automotive, and intermodal business units.

The rout in the oil market has some investors concerned about future demand for oil transport. Some producers in the high-cost Bakken shale plays will be in trouble but rail transport of crude should continue to grow in 2015.

According to a June report put out by the Canadian Association of Petroleum Producers, rail shipments of oil were running about 200,000 barrels per day at the start of 2014. That number has probably doubled during the past 12 months, and rail car deliveries are expected to hit 700,000 barrels per day by 2016.

Canadian National Railway's dividend only yields about 1.25% but the company continues to increase the distribution at a healthy rate. CN also returns significant value to shareholders through its massive share-buyback plan.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:TRP (TC Energy Corporation)

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aswalker