



## TransCanada Corporation's Steady Rise to the Top Continues

### Description

**TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) is in a position to continue its 2016 success into 2017.

The company focuses on energy infrastructure, including a series of natural gas projects that make up over 67,400 kilometres and include locations in Canada, the U.S., and Mexico. TransCanada also has oil pipelines amounting to about 4,250 kilometres of land used to refine crude as well as electrical power-plant generation and numerous energy products.

It has been a healthy year for TransCanada shares as the stock has risen 35.8% year-to-date with the bulk of this rise coming earlier in the year. Looking forward, TransCanada announced a project worth \$655 million in Saddle West. The natural gas initiative will comprise of five new compressor units in stations that are currently operating. Additionally, new metering facilities will be added to the location.

The Saddle West project will be planned in 2017; the company has completed an application to construct the pipelines with the national energy board. The Nevada construction will kick off in 2018, helping to increase the natural gas transportation capacity greatly. By 2019, the project will begin to generate revenue as it will be fully operational. About 29 kilometres of the pipeline will be added to the existing mainlines.

Late last month, TransCanada announced the completion of a public-offering program amounting 40 million series 15 preferred shares worth \$1 billion. The proceeds from the offering will help pay for corporate purposes, including the company's various natural gas projects, which make up the bulk of its business. These shares are sold under the stock ticker TSX:TRP.K.

One project that could bear fruit in a large way for the company is its Keystone XL pipeline, which is facing great opposition from protestors at the moment. The plan is to install a pipeline that will carry 830,000 barrels of crude oil a day from North Dakota to Montana and Nebraska. The pipeline would take over certain parcels of land that some believe belongs to Native Americans.

There are hundreds of protestors in the area where TransCanada would build the project. However, the company restated its commitment to ensure the pipe is created. Recently, the company's website

changed to note that the project is currently occurring, replacing terminology that suggested it was in the past. Although building Keystone XL will not happen soon, the move sends a message of intent from the company.

TransCanada recently bolstered its board of directors by naming Siim Vanaselja to take over as chairman of the board in 2017. He is the executive vice president of **BCE Inc.** and Bell Canada as well as the chief financial officer. He will succeed Barry Jackson, who has served as chairman of the board since 2005.

For its current quarter, TransCanada is expected to release earnings of 54 cents per share, based on the consensus estimate. Its quarterly report will come on February 2, 2017. The stock has a price objective is \$69, and it has a market capitalization of \$52.96 billion. Of 13 analysts covering the stock, 10 rate it a "Buy," while three rate it a "Hold."

TransCanada is a stock worth buying now as it is expected to rise steadily in the coming months; its new projects will give it a much-needed boost about three quarters from now. The Keystone XL pipeline is worth keeping an eye on as many believe it will not happen, but conventional wisdom suggests it's only a matter of time before it is completed.

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