



## TransCanada Corporation: Should You Buy Before Trump Takes Office?

### Description

**TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) has endured some tough times in the past two-and-a-half years, but the stock is catching a new tailwind, and investors want to know if more gains are on the way.

Let's take a look at the energy infrastructure giant to see if it should be in your portfolio right now.

### Roller-coaster ride

TransCanada's investors have been on quite a ride since oil began its slide from the 2014 highs.

After breaking through the \$60 mark in September 2014, TransCanada went into a downward spiral that didn't end until late 2015 when the share price nearly hit \$40.

What happened?

Money flowed out of any name connected to the oil and gas sector, and the pipelines found themselves caught in the wave. At the same time, TransCanada lost a difficult battle to get its Keystone XL pipeline approved.

After years of deliberation, President Obama finally rejected the project, leaving TransCanada with a huge pile of expenses and no concrete solution for its customers, who are still waiting for a new major pipeline to carry their oil out of landlocked Alberta.

As oil prices began to recover in 2016, TransCanada's stock picked up some support, but the real boost came as a result of the company's US\$13 billion acquisition of Columbia Pipeline Group.

The deal added significant natural gas assets and helped increase the size of the company's near-term project portfolio. TransCanada now has about \$25 billion in small and medium projects under development that should be completed in the next three years.

As the new assets are completed and go into service, TransCanada expects cash flow to grow enough

to support annual dividend increases of at least 7% through 2019.

### **What about Trump?**

Donald Trump has said he supports the Keystone project but wants to negotiate better terms.

Assuming that is still the case, TransCanada could see Keystone back on the table as soon as next week after Trump moves into the White House.

Negotiations could last for months, and depending on the demands, TransCanada might just decide to walk away from the project, but any announcement that the pipeline is being seriously reconsidered should send the stock higher.

### **Should you buy?**

The stock is now back above \$60 per share, so the easy money has already been made, but investors who buy today still pick up a decent 3.7% yield with strong dividend growth on the horizon.

If you are looking for a nice blend of yield and upside opportunity, TransCanada should be on your radar.

### **CATEGORY**

1. Energy Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NYSE:TRP (Tc Energy)
2. TSX:TRP (TC Energy Corporation)

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