Load Up on These 3 Growing Dividend Stocks Before Oil & Gas Takes Off!

Description

As oil prices rise, it might be a good time to invest in the industry and get in early before stock prices start to take off. There has been some upward movement in the price of oil recently, and it stayed over $50 for the first time in months, and it could be just a sign of things to come. For this reason, I am going to focus on three growing dividend stocks that could be great buys in the industry. All of the stocks below have been growing payouts, even during the downturn in oil prices.

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TransCanada Corporation (TSX:TRP)(NYSE:TRP) is a well-known name in the industry that is involved in a variety of different services, including energy-related infrastructure. Keystone XL is one of its prized projects that, if approved, would send the stock skyrocketing.

Currently, the stock pays investors a dividend of over 4%, and the company has grown the payout in each of the past five years. From a quarterly payment of $0.44 a share in 2012, the payouts have grown to $0.625 for an increase of 42% and a compounded annual growth rate (CAGR) of over 7%.

TransCanada has seen its sales grow 17% in the last quarter, but its net income has been variable with two of the last four quarters being in the red.

The share price has been up and down this year with returns of less than 2%. Although the stock has surpassed highs from 2014, there is still a lot of potential for it to increase as the price of oil rises and pushes up the demand for more oil to be transported.

Inter Pipeline Ltd. (TSX:IPL) is another stock that could see a benefit of more oil being transported, as the company is involved with pipelines and transferring liquids. The stock offers a very strong yield of 6.2%, as the stock has dropped 12% year to date, which has improved the overall yield. The dividend has also grown over the years from a monthly payment of $0.0875 in 2012 to its current payout of $0.135 a share for an increase of 54% and a CAGR of 9%.

Unlike TransCanada, Inter Pipeline has not seen its stock price fully recover from the downturn in oil prices, as it is well below its peak price of just under $39 that it reached in 2014. Although its stock price may not have seen a great improvement, the company's financials certainly have. In its most recent quarter, the company showed year-over-year sales growth of 25%, and it has averaged an impressive profit margin of 24% in the past five quarters.

Keyera Corp. (TSX:KEY) has grown its dividend the most of the three stocks here. Although it pays its shareholders a yield of just 4.3%, monthly payments of $0.14 a share have grown from just $0.09 back in 2013 for an increase of 55% and a CAGR of 9.2%.

Keyera's stock has dropped 7% in the past year, and after hitting a new 52-week low a few months ago, it could be a good buy at its current price. In its last quarter, the company's sales were up 32% year over year, and Keyera has been able to average a very respectable profit margin of almost 9% in the past five quarters.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:TRP (Tc Energy)
2. TSX:KEY (Keyera Corp.)
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