# Dividend Investors: 3 Stocks to Buy as Oil Prices Rise

## Description



Oil prices have been on the rise in the past six months as the industry continues its recovery. OPEC recently stated that it would look to extend supply cuts possibly until the end of 2018, which could help push oil prices up. This could mean big things for oil and gas stocks.

The big question now is how high oil prices will go. It's unlikely we'll see a return to the $100 oil that we saw in 2014, but there is still plenty of room for oil prices to rise. At the start of 2017 the price of oil actually declined even though supply cuts were in place.

With U.S. production on the rise this year, supply cuts initially did not do enough, but that has changed in the second half of the year as oil prices have reached two-year highs.

It may take some time for oil prices to rise further, but there are plenty of oil and gas stocks that will provide you with some decent payouts in the meantime. Below are three stocks that will benefit from a rising price of oil and that will pay you over 4% in dividends every year.

**Inter Pipeline Ltd** (TSX:IPL) will provide you with a recurring monthly dividend of $0.14 per share, which will yield you more than 6% annually on your investment. A 6% yield is hard to come by in any industry, let alone one that has been on the decline for the past few years. The company has a history of increasing its payouts, and has even done so during this downturn.

The share price has declined 8% year-to-date, although the stock has increased 19% over the past three months. Investors may want to get in now before the price rises even higher.

**Enbridge Inc** (TSX:ENB)(NYSE:ENB) is one of the best dividend-growth stocks you can buy on the TSX.  Its yield is currently sitting at 5.4%, but if you hang on to this stock for the long term, you'll likely be earning much more than that after the company raises its payouts.

Enbridge has also had a rough year with its stock falling 12% in 2017; however, the decline would have been even lower had the stock not risen 13% in the past month. Enbridge's stock has been undervalued for some time, so it could be a great value buy for investors not afraid to take on somerisk in the industry.

**Keyera Corp** (TSX:KEY) is another growing dividend that investors can add to their portfolio for some dividend income. With a yield of more than 4.7%, it is the lowest on the list, but still fairly high when compared with other dividend stocks.

Keyera's stock has also taken a hit this year, with its share price declining 13% year-to-date. In its most recent quarter, the company saw sales grow 24% year-over-year, but profits fell by as much as 27%. As a result, the stock has failed to see any recovery in price and has recently hit a new 52-week low.

However, Keyera is still a good value buy that could see a lot of upside.

**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
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2. TSX:ENB (Enbridge Inc.)
3. TSX:KEY (Keyera Corp.)

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**Date**
2025/08/22
**Date Created**
2017/12/19
**Author**
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