



3 Energy Sector Greats to Add to Your Portfolio

Description

Canada's energy sector consists of some of the best investments on the market and should be reflected in any well-diversified portfolio.

With nearly limitless options for investors to consider, here are three great investments to consider that provide both growth and income prospects for investors.

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) has the most to gain from the recent uptick in oil prices. When oil prices were hovering at multi-year lows, Suncor was one of the few companies in the sector posting handsome gains, a testament to Suncor's highly efficient operations, even expanding significantly through its Syncrude venture as well as the construction of the Fort Hills and Hebron projects.

Both projects were completed in the past year and are set to continue providing higher production outputs over the course of the next year.

That higher level of production, a steady increase in oil prices and Suncor's strong commitment to efficient operations continues to make Suncor an increasingly strong option for any growth-focused portfolio.

Income-seeking investors will also take solace in the fact that Suncor offers a respectable 2.87% yield.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) is another intriguing [option worth considering](#). Fortis has a diversified portfolio of operations that spans the Caribbean, Canada, as well as the U.S., where the company has focused on expanding into in recent years.

The expansions are one of several reasons why investors should contemplate an investment in Fortis.

Utilities are often perceived as boring investments that lack growth. Part of that reasoning stems from their relatively stable, and secure source of revenue, often viewed as lacking sufficient room for investment once dividends are disbursed to shareholders.

In the case of Fortis, the company does provide a handsome quarterly dividend with a yield of 4.05%,

Fortis is adequately funded to pursue increasingly larger acquisitions to new markets, which continues to feed growth for the company.

Another reason to consider Fortis as a long-term income play is that the company has provided dividend hikes every year spanning back over four decades.

Inter Pipeline Ltd. (TSX:IPL) is a third company that should be on the shortlist of every investor looking for an energy sector investment. Inter Pipeline has a pipeline network of 7,800 kilometres, which is used by other companies to transport oil and gas to refineries and storage terminals.

The rates that Inter Pipeline charges for use of its network have similarities to a [toll-road network](#) business model, providing a stable source of recurring revenue. Inter Pipeline currently has nearly 1.4 million barrels of oil crossing its network each day.

Inter Pipeline is also in the process of constructing the Heartland Petrochemical Complex north of Edmonton, which is slated to be completed and fully operational within the next few years.

Once complete, the \$3.5 billion Heartland Complex will convert propane into polypropylene for use in a variety of manufacturing goods and processes, which the company estimates should provide up to \$500 million average EBITDA.

Investors who don't want to wait until the Heartland Complex is complete can take advantage of the recent dip in the stock price and enjoy the incredible monthly dividend that currently offers a yield of 7.31%

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2. Energy Stocks
3. Investing

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