3 Top Large-Cap Stocks to Buy Right Now

Description

How's it going, Fools? I'm back again to highlight three large-cap companies that I find especially attractive. As a reminder, I do this primarily for conservative investors because large-cap stocks

- offer the stability that can only come from well-established businesses; and
- typically provide steady and hefty dividend income.

While large-cap stocks won't double overnight, they can be ideal for risk-averse investors looking for some safety.

So, without further ado, let's get to this week's big-cap stock picks.

Natural selection

Kicking off our list is **Enbridge** (TSX:ENB)(NYSE:ENB), which boasts a market cap of $73 billion. Over the past three months, shares of Canada's largest natural gas distributor have pulled back about 9%, making it a decent time to swoop in.

In Q2, the company's adjusted EPS of $0.65 easily walloped Bay Street estimates by $0.12. Meanwhile, operating cash flow clocked in at an impressive $3.3 billion versus $2.6 billion in the year-ago period. Looking forward, Enbridge now sees distributable cash flow per share at the upper half of its $4.15-4.45 range.

Investors remain concerned over the company's financial position, but management — through asset sales and transaction simplification — continues to make healthy strides in de-risking operations.

That improvement, coupled with a juicy dividend yield of 6.2%, makes Enbridge too good to pass up.

Insured opportunity

Next we have insurance giant **Great-West Lifeco** (TSX:GWO), which currently has a market cap of $29.8 billion. Over the past year, the stock is down a significant 17% versus a loss of just 2% for the

S&P/TSX Capped Financial Index.

Putnam — the company's asset management arm — continues to post losses and weigh heavily on the bottom line. But, overall, Great-West's operations are holding steady.

In Q2, the company's fee and other income increased 4% to $1.5 billion as sales increased 32% to $33.1 billion. Moreover, adjusted return on equity (ROE) came in at a strong 14%. Management attributed the results to solid growth in both North America and Europe.

After the stock's recent slump, Great-West now sports a cheapish forward P/E of 9.2, as well as an attractive yield of 5.2%.

Imperial authority

Our final large-cap pick this week is **Imperial Oil** (TSX:IMO)(NYSE:IMO), which currently sports a market cap of $35 billion. Over the past six months, shares of the oil and gas giant are up an impressive 19% versus a loss of 6% for the S&P/TSX Capped Energy Index.

Imperial continues to generate stable cash flow, which dampens the impact of wild oil price swings. Over the past 12 months, the company has generated a whopping $3.8 billion in operating cash flow. Furthermore, operating cash flow has grown an impressive 74% over the last three years — fueling steady dividend increases in the process.

Imperial's strong cash flows, stable dividend, and rock-solid balance sheet make it a relatively safe way to gain energy exposure. And at a forward P/E in the low teens, the price still seems reasonable.

Fool on.

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2. NYSEMKT:IMO (Imperial Oil Limited)
3. TSX:ENB (Enbridge Inc.)
4. TSX:GWO (Great-West Lifeco Inc.)
5. TSX:IMO (Imperial Oil Limited)

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