



Investor Alert: Canadian Pipeline Companies Are Among Those Slowly But Surely Solving the Oil and Gas Crisis

Description

We have heard a lot about the disappointing situation in the Canadian [oil and gas industry](#) last year, as Canadian oil and gas prices were taken to their knees, while North American and world prices rallied.

The infrastructure just isn't there to allow the production from oil and gas companies to reach the market, thereby driving down commodity prices.

To be sure, this is a crisis that has caused much suffering at the company-specific level, on an individual level (for those who work in the oil- and gas-related industries), and on a country level through reduced GDP and taxes.

But behind the scenes, there are companies that have been diligently working on putting the pressure on in order for this lack of takeaway capacity to finally be resolved.

Here are the two energy infrastructure giants that are planning expansions to their systems in order to at least start to address this problem.

Both represent good [value for investors](#).

For more than 65 years, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), formerly TransCanada, has been developing and maintaining energy infrastructure while handsomely rewarding shareholders.

TC has more than \$20 billion worth of projects under development, including many smaller expansion projects that will slowly move the needle.

Also, **Enbridge's** ([TSX:ENB](#))([NYSE:ENB](#)) Line 3 expansion, which is expected to be completed in the fourth quarter and which will add 370,000 barrels of daily capacity, will help in the near term.

In the even shorter term, crude by rail has been increasing dramatically, hitting a record 356,000 barrels a day in the week ended January 11, which is a 20% increase from December averages.

So, we can see that although things have been slow going, they are happening. For those companies that survive, they will thrive one day soon.

Longer term, if approved, TC's Trans Mountain expansion would add 590,000 barrels a day to the system, and its Keystone XL project would carry up to 830,000 barrels per day.

Getting a piece of the action

Investors can get a piece of the action in a low-risk way by investing in both these pipeline companies.

With a current dividend yield of 5%, above-average, visible growth, and an infrastructure presence that should ensure strong growth well into the future, TC stock is a good bet. Investors can expect continued dividend growth of 8-10% through to 2021.

As for Enbridge, with a dividend yield of 6.22% and a stable and reliable history, it is also a great stock for investors who are looking for stability, reliability, capital preservation, and income.

Since 1996, investors have enjoyed 22 years of dividend increases, with a 33% dividend increase in 2015, a 14% increase in 2016, a 15% increase in 2017, and a 10% increase in 2018.

And management expects the dividend to increase 10% next year and 5-7% thereafter.

Final thoughts

As soon as investors realize this upcoming positive change that is slowly happening, Canadian energy pipeline stocks as well oil and gas stocks will start their ascent to highs not seen in many years.

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Date

2025/08/18

Date Created

2019/01/26

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