2 Strong Stocks That Are Solid Buys

Description

On the surface, **TC Energy** (TSX:TRP)(NYSE:TRP) and **Nutrien** (TSX:NTR)(NYSE:NTR) couldn't be more different. One is an energy stock; the other is in fertilizer. One has been on a pretty much slow and steady rise over the last decade, while the other looks more like the kind of roller coaster that makes you nauseated.

But both of these stocks have been given a strong buy by many analysts lately. Let's examine why TC Energy and Nutrien belong in your growth portfolio.

TC Energy

Outside factors have hit TC Energy hard over the past year, with the oil and gas glut and Keystone Pipeline uncertainty being just some of the problems this energy company has faced. But analysts believe investors are overlooking the big picture, and it's a rosy picture indeed for TC Energy.

The company delivered strong results in its first quarter with $3.49 billion in revenue, $1.5 billion in operating income, net income after taxes of $1.15 billion, and diluted EPS of $1.09, with everything rising pretty much across the board. It's put the company well on track to meet its 2019 guidelines.

The company plans to further this growth with its $38 billion in commercially secured capital projects in its growth portfolio. While much of this is tied to Keystone, analysts are optimistic about the future of the pipeline project, expecting it to be online in 2021.

On top of this is the company's dividend yield of 4.69%, which it plans to continue increasing by 8-10% at least through 2021. And TC Energy has an 18-year history of increasing this dividend. As for the share price, analysts see it growing to $75 per share from where it is at the time of writing at $65.75 per share, especially if Keystone comes through. That's a solid increase of 14% in just a year.

Nutrien

North America's largest agricultural retailer and the world's largest potash producer is well on the way to uniting a highly fragmented industry, and that acquisition strategy is starting to really pay off. While the company is still looking to create a history of solid gains, it's a fairly new stock but one with a strong future.

After being hit by the slump in gas prices, the company's quarterly results showed some strong results again. Its revenue came in at $3.69 billion, operating income was $176 million, and net income was $53 million. Those numbers should soar this summer, as China and India have a continued increasing demand for potash and natural fertilizer that Nutrien is currently trying to fill, making up a large part of the company's sales. As natural gas prices rebound, so too should this stock.

And that would also mean a potential increase in the company's dividend, which currently sits at 3.27% and was just raised 7.5% by the company. Analysts are looking at this industry set up for extreme growth over the next few years and see Nutrien as leading the charge. In the next 12 months alone, they predict the company's share price to grow from where it is at writing at $66 per share to as high as $85 per share. That's an increase of 29% in just 12 months.

Foolish takeaway

When an analyst says a stock is a buy, it doesn't necessarily mean you should jump on the stock. But both TC Energy and Nutrien offer a point of entry into stocks that have an enormously positive future ahead of them. Even while they trade near some of their all-time highs, I would still buy these stocks today and hold on to them for decades.

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