



## Forget Canopy Growth (TSX:WEED): This 1 Stock Has Dividend AND Growth Potential

### Description

Despite being one of Canada's largest pipeline companies, many investors have not heard of **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) in part due to its name change from TransCanada Corporation earlier this year.

For those of you unacquainted with this company, TC Energy is the driving force behind the infamous Keystone XL pipeline which has faced [legal hurdles in the United States](#).

With President Donald Trump being a staunch supporter of the Keystone XL, the pipeline's eminent construction will mean huge returns for investors.

TC Energy has a track record of successful performance. It was listed on the TSX in 1995, and it has weathered the storm through many economic cycles. The company has a dividend yield of 4.39% coupled with gains of 31.7% YTD, outpacing **Canopy Growth's** gains of 18.5% YTD.

Given TC Energy's high dividend yield and growth rate, a \$10,000 investment at the beginning of this year held to year-end would result in annualized stock and dividend returns of \$5,886. That's a 58.86% gain!

### A top dividend stock

The primary reason why investors are infatuated with TC Energy — and why you should be, too — is because of its generous dividend yields.

TC Energy's average dividend yield for the past five years has outpaced both the industry and the sector with a yield of 4.14% compared to 4.04% for the industry and 3.85% for the sector.

Given TC Energy's current dividend yield of 4.39%, this means that an investment of \$10,000 at the beginning of the year held to year-end would result in \$439 of dividend income alone. Talk about a good source of passive income!

And that's not all: TC Energy announced further dividend increases of [8-10% through 2021](#).

## A top growth stock

When a company in a traditional industry outpaces the growth of a company in a trending industry it is cause for attention. And this is exactly what has happened with TC Energy's stock this year.

Despite the hype around marijuana stocks, TC Energy has outperformed Canopy Growth with gains of 31.7% YTD compared to Canopy Growth's 18.5%

If you'd invested \$10,000 at the beginning of the year and held it to year-end, your annualized returns would be \$5,434! That's a pretty sweet vacation if you ask me.

But wait ... there's more. TC Energy's coveted Keystone XL pipeline is still two years away from completion. This means that the potential upside to TC Energy's stock could be huge.

## The bottom line

In today's stock market, you will be hard pressed to find a stock that delivers a high dividend yield and has growth potential.

That is why TC Energy is a gem.

With a current dividend yield of 4.39% and a gain of 31.7% YTD, you are literally being handed money by investing in TC Energy.

The company is two years away from completing the monstrous Keystone XL pipeline, which will deliver massive returns for shareholders.

So, are you in or out?

### CATEGORY

1. Energy Stocks
2. Investing

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1. NYSE:TRP (Tc Energy)
2. TSX:TRP (TC Energy Corporation)

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