



TFSA Users: This TSX Stock Just Hit a Strong Buy Signal

Description

TFSA investors should be paying close attention to **Pembina** ([TSX:PPL](#))([NYSE:PBA](#)). Analysts covering the stock are recommending a buy rating for the stock. With a potential capital gain of 25.6% and a nearly 5.0% dividend, TFSA users could fatten their balances effortlessly.

Incredible returns

Pembina has been rewarding long-time TFSA investors with incredible gains for the last 20 years. By example, had you invested \$10,000 in the stock in 1999, your money would be worth \$141,543.03 today. Your overall total return, including reinvestment of dividends, is 1,314.95%.

By comparison, the **S&P/TSX Composite Index**' total return for the same period is only 119.53%. Pembina's average annual return of 18.04% dwarfs the composite's 5.04%. This \$25.26 billion energy giant is the hands-down choice if your goal is to grow your TFSA.

Pembina has an outstanding record of dividend payments. The annual compound growth and average dividend growth over the last ten years is 19% and 5%, respectively. Retirees have been, for decades, relying on their earnings from Pembina to [sustain retirement lifestyles](#).

In terms of performance, Pembina is one of the steadiest performers on the TSX. The stock is up 26.36% year-to-date, and if you go by the analysts' forecast, you could expect a decent capital gain on top of the nearly 5% dividend.

Lasting stability

I'm not exaggerating if I say that Pembina offers lasting stability to investors. This midstream company operates conventional, transmission, and oil sands and heavy oil pipeline assets.

All of them are vital and critical to the world's oil industry. Pembina moves about three million barrels of oil across North America.

The commercial platform of this vertically integrated company is even stronger now with the recent acquisition of **Kinder Morgan Canada**. Pembina will dominate the oil storage business in Alberta aside from gaining full control over the cross-border pipeline on the U.S. side of the Cochin pipeline.

This new asset base has long-term, fee-for-service, and take-or-pay contracts, just like Pembina's existing long-term contracts. The natural gas operations on its gathering and processing facilities are linked with the activities of other oil producers. Therefore, it shields Pembina from production cuts.

You can expect Pembina to enter into meaningful expansion projects. Its goal is to ascertain transformational growth and ensure there is increased cash flow for years, if not decades to come. The company is not doing something extraordinary, but it will continue to serve the needs of the oil industry.

Pembina has an excellent track record of delivering projects promptly without overshooting on the budget. At present, Pembina would be working on 11 secured large-scale growth and value chain secured projects until mid-2023.

Lifetime income

If you're using your TFSA to build a long-term portfolio, make sure to have a dividend aristocrat like Pembina.

This pre-eminent pipeline stock could deliver [income for a lifetime](#). I believe the company when it commits to growing dividends because its business can generate reliable cash flows.

It doesn't matter whether the market is rising or declining. Pembina is your insurance against market forces that threaten your financial future. The company is not doing something extraordinary but serve the needs of the oil industry.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

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