



TC Energy (TSX:TRP): The Number 1 Dividend Stock to Buy to Safely Make You Rich

Description

What do investors want? The answer is simple yet complicated. [Investors want to find investments that will make them rich](#) without taking on too much risk. This is a simple, time-tested truth. The complicated part comes in when we start to think about how to do this. As Warren Buffett says, rule number one in investing is “never lose money.”

To put this into practice, we must look to those stocks that have great track records, a clear competitive advantage, and preferably a business that can survive and thrive in all economic environments and through time. We have this in **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), a number one dividend stock to buy to make you rich. Let's review the reasoning behind this claim.

History of dividend growth and shareholder value creation

If there's one thing that TC Energy has, it's a strong history. Since 2000, the stock price has increased 448% and dividends have been increased every year (at a compound annual growth rate of 6.83%). Going forward, we can continue to expect to see shareholder value creation from the company, and with visible growth in the form of \$32 billion of secured growth projects, management is forecasting an annual dividend-growth rate of 8-10% through 2021.

There is [a lot of noise in the Canadian energy sector](#) right now, and the pipeline and infrastructure industry is not immune. Recent news has been somewhat favourable, but environmental groups continue to put pressure on the government. We can take this opportunity to weed out those stocks and those companies that have bright futures.

Staying power

With a network that consists of more than 92,600 kilometres of natural gas pipelines, 4,900 kilometres of oil pipelines, 653 billion cubic feet of gas storage, and 6.600 megawatts of power generation, TC Energy has a dominant position in North America, with a growing position in Mexico and in the LNG

industry.

A dominant position is great, but with this we also need to see growth potential in order to maintain this position. An example of one of the company's growth projects is its fully permitted \$6.2 billion Coastal GasLink Pipeline Project, which will provide direct access to the world market for Western Canadian Sedimentary Basin production. At this time, it is expected to be in service in 2023.

Strong through all economic cycles

With over 95% of revenue coming from regulated or long-term contracts, TC Energy offers a low-risk stock that is a safe bet to make you rich. If we look to the last "mini" correction in late 2018, we can see the type of upside (+30% year to date) that can exist even with a low-risk stock like TRP stock if timed right.

The energy infrastructure and pipeline industry is insensitive to economic cycles, as demand is pretty stable; we need a constant supply of energy regardless of economic cycles.

Foolish bottom line

TC Energy stock is a tried and tested one, with a strong history of growth, reliability, and shareholder value creation. We have an opportunity to buy this dividend stock at a time when energy stocks are suffering from bad investor sentiment. With a dividend yield of 4.4%, TRP stock provides investors with generous income with the potential to ride the stock higher when sentiment improves.

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1. Dividend Stocks
2. Energy Stocks
3. Investing

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