3 Top Stocks to Buy for Your TFSA to Earn Growing Dividends

Description

What kind of stocks are most suitable for your Tax-Free Savings Account (TFSA)? In my view, the companies that pay regular dividends and have a wide competitive advantage in their fields are the best ones that you should pick for your TFSA growth.

With this theme in mind, here are three top integrated energy companies with strong balance sheets and solid assets. Stocks like these have the potential to provide decent long-term returns to investors whose objective is to hold on to their investments and ride through the market volatility.

Canadian Natural Resources

Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ) have many of the traits that make this stock a long-term buy and to earn decent returns. By taking advantage of lower oil prices and its strong balance sheet, CNQ has added many assets to its oil sands portfolio, including a deal with **Royal Dutch Shell** in 2017.

That was smart move that substantially increased CNQ's presence and gave the company increased scale and sustainability from long-life assets.

In another big acquisition this year, Canadian Natural bought the Alberta assets of U.S.-based **Devon Energy** for $3.8 billion. Devon Canada has the capacity to produce 128,000 barrels a day, including 108,000 b/d in the oil sands and 20,000 b/d of conventional heavy oil.

According to CNQ, the acquisition will immediately add to earnings per share and free cash flow, while the company expects to be able to gain further benefits by reducing capital and operating costs for the Devon assets.

Trading at $33.50, CNQ stock yields over 4% and pays a $0.375-a-share quarterly dividend.

Brookfield Renewable Partners

One way to benefit from the energy sector is to invest in companies that produce clean energy. That global shift makes Bermuda-based **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP) is a top pick for any TFSA.

BEP is well positioned to benefit from the worldwide push to use environment-friendly sources for power generation because it has diversified assets and a strong growth plan. Producing 16,000 MW of capacity and managing 820 facilities in North America, South America, Europe, and Asia, Brookfield has a strong portfolio of projects.

The International Energy Agency sees continued strong growth in renewables through 2022, with renewable electricity capacity forecast to expand by over 920 GW — an increase of 43%.

In the second quarter, Brookfield reported that its funds from operations rose 35% year over year to $0.74 per share. BEP's strong performance in the June quarter was driven by its operating business and recent acquisitions.

Trading at $41.59, BEP stock yields around 5%, and it pays about $0.52 a share quarterly dividend.

Suncor Energy

Canada's integrated oil producer, **Suncor Energy** (TSX:SU)(NYSE:SU) is another suitable stock that TFSA investors should consider if they have a long-term investment approach.

One of the biggest strengths that separates Suncor from other, more volatile oil and gas producers is the company's integrated business; it digs for oil, refines it, and sells it through its 1,500 gas stations.

Early this year, Warren Buffett's **Berkshire Hathaway** increased its stake in Suncor Energy, giving a vote of confidence to the company, which is considered one of the safest Canadian energy companies to invest in, given its integrated structure and diversified business mix.

Suncor also has a solid track record of returning cash to investors. The oil giant has been sending dividend cheques to its shareholders for about quarter of a century. Trading at $39.65, Suncor yields more than 4%, paying $0.42 a share quarterly payout.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:SU (Suncor Energy Inc.)

4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:SU (Suncor Energy Inc.)

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