



## 3 Tremendous Reasons to Buy Pembina (TSX:PPL) Stock Today

### Description

If you were to invest your hard-earned money in a single stock, the hands-down choice is a company that performs an essential role in the world. The one name that should be in your portfolio right now is **Pembina** ([TSX:PPL](#))([NYSE:PBA](#)).

This Canadian oil and gas pipeline company has the vital task of transporting fuel commodities and providing midstream services for the energy industry in North America. For oil producers using the pipelines, it is the most cost-effective way to transport a large volume of oil or natural gas over land.

In case you need more convincing, the following are three great reasons why Pembina is [a must-own stock](#) today.

### Eternal need for energy

The need for energy is eternal, and therefore, it follows that demand for oil and natural gas is also perpetual. Accordingly, Pembina will not run out of business. It will continue to make available its system of pipelines for the transport of crude oil, natural gas, and natural gas liquids to parts of North America.

In addition to the pipelines, Pembina has the facilities to gather and process gas as well as an oil and natural gas liquids infrastructure and logistics business. Overall, Pembina offers a full spectrum of midstream services to the energy sector.

### Cash cow

You can liken Pembina to a toll booth. As the demand for energy increases, the company will keep accumulating cash and earning profits. As an investor, your exposure is basically to a cash cow.

There's nothing phenomenal about Pembina's business, but it will surely keep going, given the future energy demand. The company moves a volume of about three million barrels of oil equivalent a day.

The pipelines pass through various markets and basins across North America.

The business has been ongoing for 65 years already. Pembina earned its position as North America's most trusted and reliable energy transportation and midstream service provider.

Pembina is buying **Kinder Morgan Canada**, which will provide enhanced integration with the existing franchise and open doors to exciting new businesses. The pipeline network will increase by another 2,900 kilometres with the acquisition of the U.S. portion of the Cochin pipeline owned by **Kinder Morgan**.

The twin acquisitions are highly strategic for Pembina, as it will create long-term value to shareholders. Most notable is that both assets are supported by long-term, fee-for-service, take-or-pay contracts with investment-grade clients. Pembina will be more financially stable with a robust commercial platform.

## Growing financial profile

Lastly, Pembina is a desirable investment option because its financial profile is growing stronger as the years go by. Over the last few years, the company has been able to increase its dividend consistently.

With the present yield of 5.08%, whatever amount you plan to invest in Pembina will double in 15 years. If you hold the stock for 25-30 years, you can have an [enormous amount of retirement savings](#).

Pembina is not the investment of last resort. The moment you have the means and opportunity to invest, don't delay and purchase this pipeline giant.

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