



## Buy This Dividend Heavyweight and Never, Ever Sell!

### Description

The pipeline industry has been facing a considerable amount of pressure over the years, resulting in meagre total returns for investors who were drawn in by the attractive dividend yields.

As 2019 draws to a close, there remain many uncertainties that could cause most pipelines to continue to be out of favour with a vast majority of Canadians. Regulatory hurdles, tightening balance sheets, uncertainty with regards to oil prices, among other things, have many investors sitting on the sidelines in spite of the attractive yields.

While there are undoubtedly many uncertainties with a pipeline investment, I see a scenario where the broader basket of pipeline stocks rally, as the layers of uncertainty are gradually peeled away like the layers of an onion. With a few regulatory green lights and WTI prices back at US\$70, the next thing you know, the [big discount](#) in the pipelines could vanish without a moment's notice. Should that happen, the hunt for yield would become that much harder.

When going against the grain in an industry that has many headwinds ahead of it, I like to go for best-in-breed names that have proven over time that they have the ability not just to outperform their peers but to remain robust when the industry environment becomes highly unfavourable.

Consider **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), formerly known as TransCanada, one of the few midstream energy stocks that are fortunate enough to be at all-time highs.

The Calgary-based energy infrastructure kingpin has defied the odds, posting stable returns at a time when many of its peers are treading water. TC Energy's mix of natural gas and liquids pipelines have paved the way for continued cash flow right back into the pockets of shareholders. And with encouraging growth projects on the horizon (natural gas pipeline projects in Mexico), TC Energy can continue raising its dividend at a 10% annualized rate.

Why is TC Energy [outperforming](#) its peers by a country mile?

The company has an exceptional management team that's done an incredible job of leaping past regulatory hurdles and spotting opportunities to get the most bang per invested buck. The Mexican market's growing appetite for natural gas bodes well for TC Energy, as it continues building its asset base in the region.

Moreover, the Keystone XL pipeline remains a longer-term catalyst that could take the stock into high gear. Of course, even if Keystone didn't come online within the next four years, TC Energy is still in a fantastic position to continue insulating its shareholders from a choppy industry.

At the time of writing, the stock sports a 4.4% dividend yield, which, while smaller than some of TC Energy's ailing peers, looks to be of higher quality, especially for those who seek certainty and consistent low-double-digit (or high-single-digit) dividend hikes every year.

TC Energy is a king among men in the pipeline space, so if you're looking for a core holding that can pay you now and virtually guarantee you yearly raises moving forward, look no further than the name.

## CATEGORY

1. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

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