



2 of the Best Stocks to Ring in the New Decade!

Description

What a year 2019 was!

With 2020 now upon us, investors everywhere are clamoring for the best ideas for this decade and beyond. For long-term investors, I've got two picks which I believe will outperform over the long-haul (a ten year time horizon or longer).

Pembina

Pembina Pipeline Corporation ([TSX:PPL](#))([NYSE:PBA](#)) is one of the most stable Canadian energy infrastructure companies out there, and remains valued fairly at this point.

The company's track record of returning value to shareholders is of utmost importance with this name, and despite a marked sell-off in 2015 related to the Canadian oil & gas sector, Pembina has rebounded nicely, retracing all of the company's losses since then.

The key to owning a company like Pembina is to remain patient; this is a buy-and-hold type of investment – one that's likely to have its best results over long periods.

The current dividend yield provided by Pembina of more than 5% at the time of writing allows investors to wait for stock price accumulation as a result of earnings growth over time.

Similar to other major energy infrastructure companies in Canada, Pembina's cash flows are solid, and the company has long-term contracts securing revenue for years to come.

As long as [debt markets](#) don't dry up and economic activity doesn't grind to a halt, demand for energy will continue to increase, highlighting the importance and value of energy transportation and infrastructure companies like Pembina.

Nutrien

With continued consolidation expected in the potash sector over the long term, investing in a company like **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)), which currently holds approximately 1/5 of the entire global market for potash, should in theory turn out to be an excellent play.

Right now, the market for potash production and sale remains somewhat fragmented; however, I believe as the macro environment for potash firms up, with three or four major players driving the industry, the ability to raise prices and control supply and demand (similar to OPEC) could drive the industry significantly higher based on sector-wide margin improvement.

For the time being, however, investors are being paid a dividend of 3.8% to sit and wait — a handsome sum for long-term investors betting on macro global growth.

The stock price of Nutrien is quite choppy, so buying on dips and holding through the noise for an extended period is likely to produce the best results.

Currently, Nutrien's share price reflects somewhat bearish sentiment on the industry — a factor that long-term investors can take advantage of when building a position.

With solid fundamentals (a price-earnings ratio of less than nine and a profit margin in excess of 20%), this commodity play is a great defensive option for those seeking a hedge and/or diversification.

Stay Foolish, my friends.

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TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:NTR (Nutrien)
4. TSX:PPL (Pembina Pipeline Corporation)

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