TFSA Investors: 3 Dividend Stocks I'd Buy With $6,000

Description

If you've yet to put your latest $6,000 TFSA contribution to work, you may want to consider buying the following attractively valued stocks for the next decade while they're cheap. In no particular order, here they are.

Nutrien

With shares hovering around their 52-week lows, **Nutrien** (TSX:NTR)(NYSE:NTR) is a dirt-cheap way to play the global fertilizer market. Given the magnitude of the stock's drop, a 3.82% dividend yield isn't much to write home about.

When you consider the magnitude of forward-looking dividend growth and the rebound potential in a recovering fertilizer price environment, only then does it become apparent that Nutrien is a quality name that's trading at a discount to its intrinsic value.

Nutrien is still a play on potash, but with a robust retail business and encouraging acquisitions, the company can continue generating ample amounts of free cash flow, even if potash prices don't suddenly skyrocket higher in the new year, boding well for the growth profile of the dividend.

With shares trading at just 1.2 times book, I'd also say there's a significant margin of safety with the name, even if agricultural commodities were to remain lower for longer.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) has been clobbered ever since the oil plunge of 2014. As of late, the stock has been picking up some meaningful momentum, with shares now up 23% from their August 2019 bottom.

Although recent progress has been encouraging, the stock is still 19% off its all-time highs, and the stock remains depressed given the stable nature of its cash flows and a capital return structure that continues to pay significant dividends.

Future regulatory hurdles may derail recent momentum, but as shares continue to test new 52-week highs, I'm one to believe that the worst is already in the rear-view mirror. Management is calling for 2020 EBITDA of $13.7 billion and discounted cash flow (DCF) guidance of $9.4 billion — two targets that I think are quite conservative, leaving ample room for a surprise beat.

TC Energy

Sticking with the pipeline theme, we have **TC Energy** (TSX:TRP)(NYSE:TRP), an energy infrastructure company that's the epitome of resilience. Like Enbridge, TC Energy has a capital return structure that's calling for 8-10% in annual dividend growth over the intermediate term. To finance such a dividend-growth commitment, TC Energy has plenty of encouraging projects with approximately $30 billion worth of secured capital developments.

The energy sector has been a horrid place to invest, unless you're a shareholder of TC Energy — a winner that keeps on winning. The energy infrastructure kingpin has effectively spread its bets across Canada, America, and Mexico. With more dividend growth up ahead, I wouldn't hesitate to pick up shares even, at all-time highs.

Despite being one of the biggest TSX winners over the past year, the stock still trades at a modest 17.6 times next year's expected earnings and just 2.5 times book.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:NTR (Nutrien)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:NTR (Nutrien)
6. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

Date
2025/07/23
Date Created
2020/01/23
Author
joefrenette