



## 2 Top TSX Pipeline Stocks to Buy Today

### Description

The recent environment with stocks has created numerous investing opportunities. The energy industry has especially been hit hard, and many **TSX** stocks have lost significant value.

Although last weekend a deal with OPEC+ was reached, investors are still unclear about how global supply and demand will play out, leaving many opportunities for savvy, long-term investors who can find the top businesses.

With prices this low, buying [energy producers](#) alone is still a risky pick. Even many of the integrated TSX energy stocks are having trouble breaking even at these prices.

Pipeline stocks, however, are faring much better. And though their business is still being impacted, a lot of their revenue is stable. Looking across the pipeline universe, there are still some significant opportunities for long-term investors to take advantage of.

Two of those top TSX pipeline stocks to buy today are **Inter Pipeline Ltd** (TSX:IPL) and **TC Energy Corp** ([TSX:TRP](#))([NYSE:TRP](#)).

### TC Energy TSX stock

TC energy is one of the top energy infrastructure companies in North America. Its main business, natural gas pipelines, carries more than a quarter of North America's [daily natural gas needs](#).

This alone makes the resilient TSX stock an incredible long-term investment. It has a crucial position in an industry with significant barriers to entry.

On top of its natural gas business, the company also has liquids pipelines and a power generation business. The assets span across North America, offering significant geographic diversification.

Furthermore, the company has very little commodity exposure — not to mention that roughly a quarter of its revenue is regulated, which makes TC energy an extremely stable and reliable stock. That's

important factor if the company is to sustain its dividend, which currently has a yield of roughly 5%.

The dividend is an attractive feature, but what's most appealing about TC energy is the upside in its stock long term.

Not only is the stock well undervalued at these prices, but with its Keystone XL pipeline finally getting the go-ahead, the TSX stock has a long runway for growth.

## Inter Pipeline stock

Inter Pipeline is another appealing energy infrastructure stock on the TSX to consider today. The company is slightly more exposed to commodity prices, and thus has suffered more significant losses than TC Energy.

The good news for investors is that as the energy industry recovers over the years, Inter Pipeline can offer some significant upside potential.

While the company predominantly transports oil, it also has a storage business and as well as other midstream natural gas assets.

Inter Pipeline ran into some financial issues recently when its debt-to-earnings ratios got a little high as a result of its exposure to commodity prices, thereby lowering its expected 2020 earnings.

Inter Pipeline therefore took the prudent step to trim the dividend. Going forward, the new dividend rate is entirely underpinned by cost-of-service and fee-based revenue, which ensures complete stability of the dividend.

It also saves the company roughly \$500 million a year in cash. Plus, management has indicated that as the environment improves, it will begin to increase the dividend again.

Today that dividend still yields an attractive 4.8%, and the TSX stock is down roughly 60% off its highs.

## Bottom line

While the energy sector is facing a multitude of headwinds in the short term, at current oil prices, production is not sustainable for anyone.

These issues will eventually work themselves out. So for long-term investors who buy these TSX stocks early, there could be an opportunity to make a large fortune.

### CATEGORY

1. Dividend Stocks
2. 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

### **Category**

1. Dividend Stocks
2. Investing

### **Date**

2025/08/26

### **Date Created**

2020/04/17

### **Author**

danieldacosta

default watermark

default watermark