



3 Top TSX Income Stocks to Buy in October 2020

Description

Energy prices are still depressed from the drop in oil demand this year. Despite this, there are big names investing in top **Toronto Stock Exchange** energy stocks with high dividend yields. Warren Buffett and Saudi Arabia's sovereign wealth fund both invested in Canadian energy companies this year.

Here are three top TSX stocks to buy in October 2020 for your retirement portfolio.

Enbridge: High dividends and diverse investments

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) fell from a 52-week high of \$57.32 to a 52-week low of \$33.06 during the March 2020 market sell-off. At the time of writing, the stock is trading for \$39.21 per share. The dividend yield is a whopping 8.3% annually.

Enbridge stock is one of the most actively traded companies on the Toronto Stock Exchange. Further, average analyst target prices on this stock might indicate an upside greater than 40%.

The oil and gas industry has been volatile this year. Oil prices are unlikely to gain much momentum through the year until demand picks up or OPEC countries cut production.

Luckily, Enbridge also has investments in renewable energy infrastructure, which should help the firm in the next decade. Oil is quickly being replaced by green technology. This oil company is ready for that transition and offers shareholders a top dividend yield to add income to their retirement portfolios.

Suncor Energy: A top recommended stock to buy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) fell from a 52-week high of \$45.12 to a 52-week low of \$14.02 during the March 2020 market sell-off. At the time of writing, the stock is trading for \$16.88 per share. The annual dividend yield is great at 4.98%.

[Warren Buffett](#) owns about US\$318.36 million in Suncor stock, or a 1.3% stake in the company. Even Saudi Arabia's sovereign wealth fund made big bets on Suncor Energy stock this year.

This is remarkable news considering that Suncor's net earnings dropped to a \$4.139 billion loss for the six months ended June 30, 2020 from a net gain of \$4.199 billion for 2019.

With so many big names investing in this stock, other traders should wonder if this is a good stock to buy in October 2020. Although energy prices are still depressed from low demand for oil, Suncor Energy might be a good buy to hold stock while we wait for prices to recover.

There's risk in any investment, and even the best stock market [gurus lose money](#) from time to time. Thus, Suncor Energy might be a top income stock for October 2020, but you should be prepared to hold this asset for at least one year.

Canadian Natural Resources: Fantastic income play

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) fell from a 52-week high of \$42.57 to a 52-week low of \$9.80 during the March 2020 market sell-off. At the time of writing, the stock is trading for \$23.45 per share. The dividend yield is fantastic at 7.25% annually.

Canadian Natural Resources is also one of the most actively traded stocks on the Toronto Stock Exchange. Offering a higher dividend yield than Suncor, this might be a better option if you are looking for top income stocks in October 2020.

Moreover, Saudi Arabia's sovereign wealth fund also made a huge purchase in this company at the same time that it invested in Suncor. With a [nod of approval](#) like that, it is hard to find an argument for why you shouldn't own this stock in your retirement portfolio.

As with Suncor, Canadian Natural Resources might be a great investment, but you will want to plan to hold this stock for a time. Investing is a long-term game. While it would be nice to make quick returns, that's not always possible.

The good news is that the stock has probably reached its bottom at this point. Geopolitics might be volatile, but I doubt anyone wants to see oil prices fall into negative territory again.

The more likely scenario for the next 12 months is that we are at the beginning of the slow climb back up to pre-pandemic valuations. Therefore, now is the time to buy Canadian Natural Resources, while there are still capital gains to earn on this crude oil and natural gas producer.

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:ENB (Enbridge Inc.)
6. TSX:SU (Suncor Energy Inc.)

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