



## 3 Top Value Stocks to Buy in March 2021

### Description

In a volatile market, it makes sense to identify a portfolio of stocks that are trading at attractive valuations. While the last 12 months saw growth stocks generate massive returns, investors are now looking at companies with strong fundamentals.

The equity markets are expected to remain volatile in 2021. However, this also provides investors an opportunity to steadily build their positions in blue-chip stocks, allowing them to enjoy stellar returns over the long run. With this strategy in mind, let's take a look at top value stocks on the TSX right now.

### Enbridge

The ongoing recovery in oil stocks bodes well for Canadian energy giant **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), as the WTI (West Texas Intermediate) crude oil prices [have been consistently above](#) the US\$60-per-barrel mark since mid-February.

Enbridge is a diversified midstream entity with operations in the oil, natural gas, and liquids verticals. The company's liquids pipelines account for over 50% of its earnings. Comparatively, its natural gas distributions, storage, transmission, and midstream operations contribute over 40% of earnings. Its rapidly expanding renewable power generation accounts for 4% of earnings.

Its diversified operations and asset base has allowed Enbridge to increase dividends at an annual rate of 10% in the last 26 years. At its current stock price, ENB is trading at a forward yield of 7.2%.

It expects to increase distributable cash flow per share between 5% and 7% through 2023, indicating more dividend increases are on the cards.

### TC Energy

Similar to Enbridge, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) also has a durable business model. The company has increased dividends by 21 consecutive years and recently increased its payout by 7.4%

for 2021.

This shows the durability of TC Energy's earnings and cash flows, at a time when most energy stocks have decreased or entirely suspended their dividends. TC Energy's stock price indicates a forward yield of 6%. This means an investment of \$10,000 in TC stock right now will help you derive \$600 in annual dividends.

The company generated \$9.4 billion of comparable EBITDA in 2020, which was just \$15 million lower than the prior-year period. Its funds from operations rose 4% to \$7.4 billion as well last year.

TC Energy has a diversified base of cash-generating assets. The turbulence in oil prices impacted TC's volumes and earnings with regards to its Keystone Pipeline system. However, this was offset by higher earnings in its natural gas pipeline business driven by higher rates and expansion projects.

## Fortis

The final stock on the list is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), one of Canada's largest utility companies. Fortis is a company that has increased its dividend payouts for 48 consecutive years, which shows it can sustain these payments across economic cycles.

Fortis stock is trading at a price of \$52.7, indicating a forward yield of 3.83%. Its regulated base of assets allows Fortis to [generate stable cash flows](#) and support its shareholder capital program.

In a pandemic-hit year, Fortis experienced higher residential sales allowing it to offset tepid sales in commercial and industrial verticals. In 2020, 83% of Fortis sales were generated from the rate-regulated residential segment.

The company increased its rate base by 8% year over year, which will mean Fortis can expect cash flows to increase in 2021. In the next five years, it expects to increase the rate base at an annual rate of 6%.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

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

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